Effect of Leverage, Profitability and Company Size on Tax Aggressiveness.

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Abstract
The aim of this research to obtain empirical evidence about the leverage, profitability and size of firm to tax aggressiveness. Population of this research is the audited financial statements in manufacturing company food and beverage sub-sector and cosmetic sub-sector and household goods listed in Indonesia Stock Exchange in 2014-2017. Determination of the sample was done by using purposive sampling with the number of samples of 11 companies over a period of 4 years of consecutive observations so that the total sample of 44. This research data using SPSS version 21 with descriptive statistical test, classical assumption test, multiple linear regression analysis, hypothesis test. The results of the research that has been processed shows that the significant value of leverage that is proxied using DER is 0.275, the significant value of profitability proxyed using ROA is 0.001, and the significant value of firm size proxied using LN is 0.000. And from the results of research show that leverage does not have a significant effect on tax aggressiveness, while profitability and firm size have an effect on the aggressiveness of tax.

I. INTRODUCTION
Indonesia is a developing country and has a large population. Indonesia is also the largest archipelagic country which is rich in abundant natural wealth and Indonesia's strategic geographical location where the region of Indonesia is a region of world trade traffic. So, many companies from within and outside the country are established in Indonesia. This is quite beneficial for Indonesia to increase revenue in the tax sector. Tax is one of the obligations of society to the state and as a form of community participation in the development of the homeland and the state. Tax is one source of state income that aims to meet the needs of a country. The tax definition according to Law Number 16 of 2009 concerning General Provisions and Tax Procedures in Article 1 paragraph 1 is a mandatory contribution to the state that is owed by an individual or entity that is compulsory under the law, by not receiving direct compensation and being used for the needs of the state for the greatest prosperity of the people. Tax is the most potential source of state revenue and occupies the highest percentage in the State Budget (APBN) compared to other revenues.

* Corresponding author
Table 1. Realization of Year State Revenues 2014-2017
(In billions of rupiah)

<table>
<thead>
<tr>
<th>Source of acceptance</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax revenue</td>
<td>1.146.865</td>
<td>1.240.418</td>
<td>1.539.166</td>
<td>1.495.893</td>
</tr>
<tr>
<td>Acceptance of natural resources</td>
<td>240.848</td>
<td>100.971</td>
<td>90.524</td>
<td>80.273</td>
</tr>
<tr>
<td>Acceptance of tax burden</td>
<td>157.742</td>
<td>154.656</td>
<td>154.559</td>
<td>160.090</td>
</tr>
<tr>
<td>Total</td>
<td>1.545.455</td>
<td>1.496.045</td>
<td>1.784.249</td>
<td>1.736.256</td>
</tr>
</tbody>
</table>

The data presented briefly above explains that basically the tax sector revenue has the highest magnitude and always increases each year compared to other revenue sectors. So from that the government increasingly focuses and pays special attention to the tax sector and continues to make improvements for the implementation of development to run well and sustainably.

Table 1. Percentage of Year Tax Revenue Target 2014-2017
(In billions of rupiah)

<table>
<thead>
<tr>
<th>Source of acceptance</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target</td>
<td>1.246.1</td>
<td>1.294.25</td>
<td>1.355.20</td>
<td>1.283.6</td>
</tr>
<tr>
<td>Tax Realization</td>
<td>1.146.3</td>
<td>1.240.41</td>
<td>1.539.16</td>
<td>1.736.3</td>
</tr>
<tr>
<td>Percentage</td>
<td>91.9%</td>
<td>95.8%</td>
<td>88.04%</td>
<td>89.7%</td>
</tr>
</tbody>
</table>

From the table above, there are many factors that cause not to achieve the tax target, namely the lack of awareness to comply with tax regulations, national economic growth, commodity prices, especially those that are the mainstay of exports, have not yet improved due to lower revenues, global economic factors that have not yet recovered. has an effect on the decline in international trade and there are still many other things that are factors that do not reach the tax target. Then to overcome in order to achieve the target tax, namely by the first way, improving the Tax Administration System to improve tax compliance. Second, extensification of high and middle income personal taxpayers, extensification activities carried out will focus more on individuals who have the potential to pay taxes so that the dominant contribution of tax revenues will shift gradually from corporate taxpayers to compulsory private individuals. Third, the expansion of the tax base, including the sectors that have not been explored too much, have the potential to be explored because of the maximum untouchability of the trade sector (Small and Medium Enterprises), which has a place of business in the centers shopping and of course the property sector. Fourth, strengthening law enforcement for tax evaders, to provide a sense of justice, taxpayers who do not carry out their tax obligations properly will be enforced by law, starting from inspection, investigation and collection. As well as Fifth, improving tax regulations to provide legal certainty and fair and fair treatment.

Tax revenue must be able to reach the maximum level because the results of tax revenues will later be used for financing, both at the central and regional levels. The purpose of the government to maximize revenue from the tax sector is contrary to the purpose of the company as a taxpayer, where the company seeks to minimize costs incurred to obtain maximum profits so that it can provide accountability to owners or shareholders and in continuing the company's survival (Yoehana 2013, 3).

The phenomenon of tax avoidance in 2013 was a case of tax dispute by PT. Toyota Motor Manufacturing Indonesia (TMMIN), this case occurred because of a correction made by the Director General of Taxes on the value of TMMIN sales and royalty payments. This dispute revolves around the 2008 tax report. At that time, TMMIN's shareholders were Toyota Motor Corporation with 95% and the remaining 5% owned by PT. Astra International Tbk. In its tax report, TMMIN stated that the sales value reached Rp. 32.9 trillion, but the Director General of Taxes corrected the value to Rp. 34.5 trillion or a correction of Rp. 1.5 trillion. With a correction value of Rp 1.5 trillion, TMMIN must add tax payments of Rp 500 billion. Before being separated, TAM's profit margin before tax (gross margin) experienced an increase of 11% to 14% per year. But after being separated, TMMIN's gross margin is only around 1.8% to 3% per year. While in TAM, gross margins reach 3.8% to 5%. If TAM's gross margin is combined with TMMIN, the percentage is still at 7%. This means that it is 7% lower than when you joined, which reached...
14%. The reduction in profits is due to improper royalty payments and raw material purchases and car sales to affiliated parties below the cost of production so as to reduce business circulation (kontan.co.id, 2018).

In this study using the food and beverage sub-sector manufacturing companies and the cosmetics and household appliances subsector listed on the IDX in the 2014-2017 period. Because manufacturing companies are companies whose activities manage raw materials or raw materials into finished goods then sell them to other parties. The main purpose of this research is of course to examine how the attitude of the company in obedience to pay tax obligations and to seek information related to the compliance of the company in paying taxes or the company acts tax aggression. This study uses the proxy effective tax rate (ETR) as a measure of corporate tax aggressiveness.

II. RELATED WORKS/LITERATURE REVIEW (OPTIONAL)

**Tax**

Tax is a people’s contribution to the state based on the law, so that it can be forced, by not receiving direct remuneration.

Tax definition according to Law Number 16 of 2009 concerning the fourth amendment to Law Number 6 of 1983 concerning General Provisions and Tax Procedures in Article 1 paragraph 1 which states that: "Tax is a compulsory contribution to the state that is owed by an individual or entity that is a force based on the Law, by not getting compensation directly and used for state needs for the greatest prosperity of the people".

**Tax Aggressiveness**

(Kuriah & Asyik, 2016) define tax aggressiveness as a tax planning activity for all companies involved in reducing effective tax rates.

In this study, measurement of tax aggressiveness using ETR (Effective Tax Rate). According to (Fatharani, 2012) the effective tax rate (ETR) is used as a measurement because it is considered to reflect the fixed difference between the calculation of book profits and fiscal profit. The lower the ETR value indicates the existence of tax aggressiveness in the company. A low ETR indicates an income tax expense that is smaller than pre-tax income.

**Leverage**

(Musthafa, 2017) in the Financial Management book defines that: "Financial leverage is the use of assets and sources of funds (sources of funds) by companies that have fixed costs (fixed costs) in order to increase the potential profits of shareholders".

The purpose of financial leverage is the profit obtained is greater than the cost of assets and the source of the funds mentioned above, thereby increasing shareholder profits. If the company does not have debt, the value of the company will increase, because there is no risk of interest to be paid.

**Profitability**

(Gemilang, 2017) profitability is a determinant of tax burden, because companies with greater profits will pay greater taxes as well. Conversely, companies with low profit rates will pay lower taxes or even not pay taxes if they suffer losses.

III. METHODS

In this study, the object of the research is the financial statements of manufacturing companies listed on the Indonesia Stock Exchange in the Food and Beverage sub-sector and the Cosmetics sub-sector and Household Purposes listed on the Indonesia Stock Exchange 2014-2017 (PT Bursa Efek Indonesia, n.d.). The factors tested for its effect on ETR consist of 3 independent variables namely Leverage (DER), Profitability (ROA), and Company Size (SIZE).

The population taken is the food and beverage subsector manufacturing company and the cosmetics and household goods subsector listed on the Indonesia Stock Exchange during the 2014-2017 period, which were 11 companies. The criteria for the sample used are:

1. Companies in the food and beverage subsector and the cosmetics and household goods subsector listed on the Indonesian Stock Exchange in 2014 and remain registered until 2017.
2. Companies listed on the IDX during the 2014-2017 research period.
3. Present financial statements in full and published on the IDX.
4. Companies that experience data outliers.
5. Companies that experience losses in the study period.
Table 3. Operational variables

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Indicator</th>
<th>Scale</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Leverage ($X_1$)</td>
<td>$DER = \frac{Total\ Liabilities}{Total\ Equity}$</td>
<td>Ratio</td>
<td>Financial statements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Source: (Kasmir, 2012)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Profitability($X_2$)</td>
<td>$ROA = \frac{Net\ Income\ After\ Tax}{Total\ Asset} \times 100%$</td>
<td>Ratio</td>
<td>Financial statements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Source: (Kasmir, 2012)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Company size ($X_3$)</td>
<td>$Size = \ln\ (Total\ Asset)$</td>
<td>Ratio</td>
<td>Financial statements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Source: (Gemilang 2017, 44)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Tax aggressiveness (Y)</td>
<td>$ETR = \frac{Tax\ Expense}{Pre\ Tax\ Profit}$</td>
<td>Ratio</td>
<td>Financial statements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Source: (Fatharani, 2012)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4. Sample Selection Process

<table>
<thead>
<tr>
<th>No</th>
<th>Criteria</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Companies in the food and beverage subsector and cosmetics and household goods subsectors listed on the Indonesian Stock Exchange in 2014 and remain registered until 2017</td>
<td>21</td>
</tr>
<tr>
<td>2</td>
<td>Companies that are not registered or delisted in the IDX during the study period</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Companies that do not present financial statements in full and are published on the IDX.</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Companies that experience data outliers</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Companies that suffered losses in the study period.</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Total sample companies</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Research period</td>
<td>4 years</td>
</tr>
<tr>
<td></td>
<td>Number of Samples</td>
<td>44</td>
</tr>
</tbody>
</table>

Based on the sample selection process, it can be concluded as follows:

1. Companies that are not registered or delisted in the IDX during the research period, namely PT. Davomas Abadi Tbk (DAVO).
2. Companies that do not present complete financial reports and are published on the IDX, namely PT. Tiga Pilar Sejahtera Food Tbk (AISA), PT. Siantar Top Tbk (STTP), PT. Kino Indonesia Tbk (KINO), and PT. Unilever Indonesia Tbk (UNVR).
3. Companies that experience data outliers namely PT. Akasha Wira Internasional (ADES). Outliers are data that appears to have unique characteristics that look very different from other observations and appear in the form of extreme values for either a single variable or a combination variable.
4. Companies that suffered losses in the study period, namely PT. Tri Banyan Tirta Tbk (ALTO), PT. Prasidha Aneka Niaga Tbk (PSDN), PT. Martina Berto Tbk (MBTO), and PT. Mustika Ratu Tbk (MRAT)

IV. RESULTS

Tax aggressiveness

Tax aggressiveness is measured using ETR proxy. ETR will show how much tax avoidance is carried out by a company. From the calculations obtained, it can be concluded that the lower the ETR value, the higher the tax aggressiveness is carried out. Following is the table of ETR calculation results:
Table 5. ETR Calculation Results

<table>
<thead>
<tr>
<th>No</th>
<th>Emiten</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CEKA</td>
<td>0.2815</td>
<td>0.2510</td>
<td>0.1264</td>
<td>0.2498</td>
</tr>
<tr>
<td>2</td>
<td>DLTA</td>
<td>0.2410</td>
<td>0.2324</td>
<td>0.2218</td>
<td>0.2418</td>
</tr>
<tr>
<td>3</td>
<td>ICBP</td>
<td>0.2529</td>
<td>0.2710</td>
<td>0.2722</td>
<td>0.3195</td>
</tr>
<tr>
<td>4</td>
<td>INDF</td>
<td>0.2935</td>
<td>0.3487</td>
<td>0.3429</td>
<td>0.3282</td>
</tr>
<tr>
<td>5</td>
<td>MLBI</td>
<td>0.2629</td>
<td>0.2645</td>
<td>0.2561</td>
<td>0.2573</td>
</tr>
<tr>
<td>6</td>
<td>MYOR</td>
<td>0.2263</td>
<td>0.2379</td>
<td>0.2476</td>
<td>0.2542</td>
</tr>
<tr>
<td>7</td>
<td>ROTI</td>
<td>0.2539</td>
<td>0.2848</td>
<td>0.2427</td>
<td>0.2728</td>
</tr>
<tr>
<td>8</td>
<td>SKBM</td>
<td>0.1881</td>
<td>0.2513</td>
<td>0.2682</td>
<td>0.1852</td>
</tr>
<tr>
<td>9</td>
<td>SKLT</td>
<td>0.3000</td>
<td>0.2670</td>
<td>0.1796</td>
<td>0.1608</td>
</tr>
<tr>
<td>10</td>
<td>TCID</td>
<td>0.2720</td>
<td>0.0663</td>
<td>0.2683</td>
<td>0.2631</td>
</tr>
<tr>
<td>11</td>
<td>ULTJ</td>
<td>0.2451</td>
<td>0.2534</td>
<td>0.2388</td>
<td>0.3065</td>
</tr>
</tbody>
</table>

Based on data from the ETR calculation in table 5 above, it can be seen that:

1. In 2014
   a. The highest ETR value of 0.3000 (30.00%) is owned by PT. Sekar Laut Tbk (SKLT) with the following calculations:

   \[
   ETR = \frac{\text{Tax Expense}}{\text{Pre Tax Profit}} = \frac{7,063,322,474}{23,544,037,458} = 0.3000
   \]

   b. The lowest ETR value of 0.1881 (18.81%) is owned by PT. Sekar Bumi Tbk (SKBM) with the following calculations:

   \[
   ETR = \frac{\text{Tax Expense}}{\text{Pre Tax Profit}} = \frac{20,645,137,227}{109,761,131,334} = 0.1881
   \]

2. In 2015
   a. The highest ETR value of 0.3487 (34.87%) is owned by PT. Indofood Sukses Makmur Tbk (INDF) with the following calculations:

   \[
   ETR = \frac{\text{Tax Expense}}{\text{Pre Tax Profit}} = \frac{1,730,371,000}{4,962,084,000} = 0.3487
   \]

   b. The lowest ETR value of 0.0663 (6.63%) is owned by PT. Mandom Indonesia Tbk (TCID) with the following calculations:

   \[
   ETR = \frac{\text{Tax Expense}}{\text{Pre Tax Profit}} = \frac{38,647,669,480}{583,121,947,494} = 0.0663
   \]

3. In 2016
   a. The highest ETR value of 0.3429 (34.29%) is owned by PT. Indofood Sukses Makmur Tbk (INDF) with the following discussion:

   \[
   ETR = \frac{\text{Tax Expense}}{\text{Pre Tax Profit}} = \frac{2,532,747,000}{7,385,228,000} = 0.3429
   \]

   b. The lowest ETR value of 0.1264 (12.64%) is owned by PT. Wilmar Cahaya Indonesia Tbk (CEKA) with the following calculations:

   \[
   ETR = \frac{\text{Tax Expense}}{\text{Pre Tax Profit}} = \frac{36,130,823,829}{285,827,837,455} = 0.1264
   \]

4. In 2017
   a. The highest ETR value of 0.3282 (32.82%) is owned by PT. Indofood Sukses Makmur Tbk (INDF) with the following calculations:

   \[
   ETR = \frac{\text{Beban Pajak}}{\text{Laba Sebelum Pajak}} = \frac{2,513,491,000}{7,658,554,000} = 0.3282
   \]
b. The lowest ETR value of 0.1608 (16.08%) is owned by PT. Sekar Laut Tbk (SKLT) with the following calculations:

$$ETR = \frac{\text{Tax Expenses}}{\text{Profit before tax}} = \frac{4,399,850,008}{27,370,565,356} = 0.1608$$

From the results of the explanation above, it can be concluded that the company that has the highest ETR is PT. Indofood Sukses Makmur Tbk (INDF) of 0.3487 (34.87%). The higher the ETR value will show the lower the practice of tax aggressiveness. This indicates that the company is good. While companies that have the lowest ETR value are PT. Mandom Indonesia Tbk (TCID) of 0.0663 (6.63%). This shows that the level of practice of tax aggressiveness carried out by PT. Mandom Indonesia Tbk (TCID) is very high.

**Leverage**

Leverage is measured using the DER proxy. DER is to measure how much the company is financed with debt. The higher the DER value means the greater the company uses debt as its funding source. The following table shows the results of DER calculations:

<table>
<thead>
<tr>
<th>No</th>
<th>Emiten</th>
<th>Years</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CEKA</td>
<td></td>
<td>1,3889</td>
<td>1,3820</td>
<td>0,6060</td>
<td>0,5422</td>
</tr>
<tr>
<td>2</td>
<td>DLTA</td>
<td></td>
<td>0,2976</td>
<td>0,2221</td>
<td>0,1832</td>
<td>0,1714</td>
</tr>
<tr>
<td>3</td>
<td>ICBP</td>
<td></td>
<td>0,6563</td>
<td>0,6208</td>
<td>0,5622</td>
<td>0,5557</td>
</tr>
<tr>
<td>4</td>
<td>INDF</td>
<td></td>
<td>1,0845</td>
<td>1,1296</td>
<td>0,8701</td>
<td>0,8808</td>
</tr>
<tr>
<td>5</td>
<td>MLBI</td>
<td></td>
<td>3,0286</td>
<td>1,7409</td>
<td>1,7723</td>
<td>1,3571</td>
</tr>
<tr>
<td>6</td>
<td>MYOR</td>
<td></td>
<td>1,5097</td>
<td>1,1836</td>
<td>1,0626</td>
<td>1,0282</td>
</tr>
<tr>
<td>7</td>
<td>ROTI</td>
<td></td>
<td>1,2319</td>
<td>1,2770</td>
<td>1,0237</td>
<td>0,6168</td>
</tr>
<tr>
<td>8</td>
<td>SKBM</td>
<td></td>
<td>1,0431</td>
<td>1,2218</td>
<td>1,7190</td>
<td>0,5862</td>
</tr>
<tr>
<td>9</td>
<td>SKLT</td>
<td></td>
<td>1,1620</td>
<td>1,4803</td>
<td>0,9187</td>
<td>1,0687</td>
</tr>
<tr>
<td>10</td>
<td>TCID</td>
<td></td>
<td>0,4439</td>
<td>0,2141</td>
<td>0,2254</td>
<td>0,0087</td>
</tr>
<tr>
<td>11</td>
<td>ULTJ</td>
<td></td>
<td>0,2878</td>
<td>0,2654</td>
<td>0,2149</td>
<td>0,2324</td>
</tr>
</tbody>
</table>

Based on data from the calculation of DER in table 6 above, it can be seen that:

1. In 2014
   a. The highest DER value of 3.0286 (302.86%) is owned by PT. Multi Bintang Indonesia Tbk (MLBI) with the following calculations:

   $$DER = \frac{\text{Total Liabilities}}{\text{Total Equity}} = \frac{1,677,254,000}{553,797,000} = 3.0286$$

   b. The lowest DER value of 0.2878 (28.78%) is owned by PT. Ultrajaya Milk Industry Tbk (ULTJ) with the following calculations:

   $$DER = \frac{\text{Total Liabilities}}{\text{Total Equity}} = \frac{651,985,807,625}{2,265,097,759,730} = 0.2878$$

2. In 2015
   a. The highest DER value of 1.7409 (174.09%) is owned by PT. Multi Bintang Indonesia Tbk (MLBI) with the following calculations:

   $$DER = \frac{\text{Total Liabilities}}{\text{Total Equity}} = \frac{1,334,373,000}{766,480,000} = 1.7409$$

   b. The lowest DER value of 0.2141 (21.41%) is owned by PT. Mandom Indonesia Tbk (TCID) with the following calculations:

   $$DER = \frac{\text{Total Liabilities}}{\text{Total Equity}} = \frac{367,225,370,670}{1,714,871,478,033} = 0.2141$$
3. In 2016
   a. The highest DER value of 1.7722 (177.22%) is owned by PT. Multi Bintang Indonesia Tbk (MLBI) with the following calculations:
   \[
   DER = \frac{\text{Total Liabilities}}{\text{Total Equity}} = \frac{1,454,398,000}{820,640,000} = 1.7722
   \]
   b. The lowest DER value of 0.1831 (18.31%) is owned by PT. Delta Djakarta Tbk (DLTA) with the following calculations:
   \[
   DER = \frac{\text{Total Liabilities}}{\text{Total Equity}} = \frac{185,422,642}{1,012,374,008} = 0.1831
   \]

4. In 2017
   a. The highest DER value of 1.3571 (135.71%) is owned by PT. Multi Bintang Indonesia Tbk (MLBI) with the following calculations:
   \[
   DER = \frac{\text{Total Liabilities}}{\text{Total Equity}} = \frac{1,445,173,000}{1,064,905,000} = 1.3571
   \]
   b. The lowest DER value of 0.0087 (0.87%) is owned by PT. Madom Indonesia Tbk (TCID) with the following calculations:
   \[
   DER = \frac{\text{Total Liabilities}}{\text{Total Equity}} = \frac{16,132,838,680}{1,858,326,336,424} = 0.0087
   \]

From the results of the explanation above, it can be concluded that the company that has the highest DER value is PT. Multi Bintang Indonesia Tbk (MLBI) of 3,0286 (302.86%). This indicates that the level of corporate capital funding through debt is very high. While companies that have the lowest DER value are PT. Madom Indonesia Tbk (TCID) with a value of 0.0087 (0.87%). This shows that the level of corporate capital funding financed by debt is low

**Profitability**

Profitability is the company's ability to make a profit. According to (Nugraha, 2015) profitability is a performance indicator carried out by management in managing corporate wealth as indicated by profits generated. Profitability is measured using ROA proxy. The higher the ROA value, it shows the ability of the company to generate profits with the capital assets it has. The following table shows the calculation of ROA:

<table>
<thead>
<tr>
<th>No</th>
<th>Emiten</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CEKA</td>
<td>0.0319</td>
<td>0.0717</td>
<td>0.1751</td>
<td>0.0771</td>
</tr>
<tr>
<td>2</td>
<td>DLTA</td>
<td>0.2904</td>
<td>0.1850</td>
<td>0.2125</td>
<td>0.2087</td>
</tr>
<tr>
<td>3</td>
<td>ICBP</td>
<td>0.1016</td>
<td>0.1101</td>
<td>0.1256</td>
<td>0.1121</td>
</tr>
<tr>
<td>4</td>
<td>INDF</td>
<td>0.0512</td>
<td>0.0404</td>
<td>0.0591</td>
<td>0.0585</td>
</tr>
<tr>
<td>5</td>
<td>MLBI</td>
<td>0.3563</td>
<td>0.2365</td>
<td>0.4317</td>
<td>0.5267</td>
</tr>
<tr>
<td>6</td>
<td>MYOR</td>
<td>0.0398</td>
<td>0.1102</td>
<td>0.1075</td>
<td>0.1093</td>
</tr>
<tr>
<td>7</td>
<td>ROTI</td>
<td>0.0880</td>
<td>0.1000</td>
<td>0.0958</td>
<td>0.0297</td>
</tr>
<tr>
<td>8</td>
<td>SKBM</td>
<td>0.1372</td>
<td>0.0530</td>
<td>0.0225</td>
<td>0.0159</td>
</tr>
<tr>
<td>9</td>
<td>SKLT</td>
<td>0.0497</td>
<td>0.0532</td>
<td>0.0363</td>
<td>0.0361</td>
</tr>
<tr>
<td>10</td>
<td>TCID</td>
<td>0.0941</td>
<td>0.2615</td>
<td>0.0742</td>
<td>0.0758</td>
</tr>
<tr>
<td>11</td>
<td>ULTJ</td>
<td>0.0971</td>
<td>0.1478</td>
<td>0.1674</td>
<td>0.1372</td>
</tr>
</tbody>
</table>

Based on the calculation of ROA data in table 7 above, it can be seen that:

1. In 2014
a. The highest ROA value of 0.3563 (35.63%) is owned by PT. Multi Bintang Indonesia Tbk (MLBI) with the following calculations:

\[
ROA = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Total Aset}} \times 100\% = \frac{794,883,000}{2,231,051,000} \times 100\% = 0.3563
\]

b. The lowest value of ROA of 0.0319 (3.19%) is owned by PT. Wilmar Cahaya Indonesia (CEKA) with the following calculations:

\[
ROA = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Total Aset}} \times 100\% = \frac{41,001,419,954}{1,284,150,037,341} \times 100\% = 0.0319
\]

2. In 2015
a. The ROA value of 0.2615 (26.15%) is owned by PT. Mandom Indonesia Tbk (TCID) with the following calculations:

\[
ROA = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Total Aset}} \times 100\% = \frac{544,474,278,014}{2,082,096,848,703} \times 100\% = 0.2615
\]

b. The lowest ROA value of 0.0404 (4.04%) is owned by PT. Indofood Sukses Makmur Tbk (INDF) with the following calculations:

\[
ROA = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Total Aset}} \times 100\% = \frac{3,709,501,000}{91,831,526,000} \times 100\% = 0.0404
\]

3. In 2016
a. The highest ROA value of 0.4371 (43.71%) is owned by PT. Multi Bintang Indonesia Tbk (MLBI) with the following calculations:

\[
ROA = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Total Aset}} \times 100\% = \frac{982,129,000}{2,275,038,000} \times 100\% = 0.4371
\]

b. The lowest ROA value is 0.0225 (2.25%) owned by PT. Sekar Bumi Tbk (SKBM) with the following calculations:

\[
ROA = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Total Aset}} \times 100\% = \frac{22,545,456,050}{1,001,657,012,004} \times 100\% = 0.0225
\]

4. In 2017
a. The highest ROA value of 0.5267 (52.67%) is owned by PT. Multi Bintang Indonesia Tbk (MLBI) with the following calculations:

\[
ROA = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Total Aset}} \times 100\% = \frac{1,322,067,000}{2,510,078,800} \times 100\% = 0.5267
\]

b. The lowest ROA value of 0.0159 (1.59%) is owned by PT. Sekar Bumi Tbk (SKBM) with the following calculations:

\[
ROA = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Total Aset}} \times 100\% = \frac{25,880,464,791}{1,623,027,475,045} \times 100\% = 0.0159
\]

From the results of the explanation above, it can be concluded that the company that has the highest ROA value is PT. Multi Bintang Indonesia Tbk (MLBI) is 0.5267 (52.67%). The higher the value of profitability will show the higher the profit generated and the greater the amount of tax to be paid. While companies that have the lowest ROA value are PT. Sekar Bumi Tbk (SKBM) of 0.0159 (1.59%). This shows that the level of practice of tax aggressiveness carried out by PT. Sekar Bumi Tbk (SKBM) is low because of the declining ROA level.

Company Size

Company size is measured using SIZE proxy. (Gemilang, 2017) defines the size of a company as a scale or value that can classify a company into large or small categories based on total assets, log size, and so on. The greater the total assets indicate the greater the size of the company. Company scale is a measure used to reflect the size of the company based on the company's total assets. Following is the table of SIZE calculation results:
Table 8. Calculation Result of SIZE

<table>
<thead>
<tr>
<th>No</th>
<th>Emiten</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2014</td>
</tr>
<tr>
<td>1</td>
<td>CEKA</td>
<td>27,881</td>
</tr>
<tr>
<td>2</td>
<td>DLTA</td>
<td>20,715</td>
</tr>
<tr>
<td>3</td>
<td>ICBP</td>
<td>17,030</td>
</tr>
<tr>
<td>4</td>
<td>INDF</td>
<td>18,269</td>
</tr>
<tr>
<td>5</td>
<td>MYOR</td>
<td>14,618</td>
</tr>
<tr>
<td>6</td>
<td>MLBI</td>
<td>29,962</td>
</tr>
<tr>
<td>7</td>
<td>ROTI</td>
<td>28,393</td>
</tr>
<tr>
<td>8</td>
<td>SKBM</td>
<td>27,199</td>
</tr>
<tr>
<td>9</td>
<td>SKLT</td>
<td>26,527</td>
</tr>
<tr>
<td>10</td>
<td>TCID</td>
<td>28,248</td>
</tr>
<tr>
<td>11</td>
<td>ULTJ</td>
<td>28,701</td>
</tr>
</tbody>
</table>

Based on SIZE calculation data in Table 8 above:

1. In 2014
   a. The highest SIZE value of 29.9632 (2996.32%) is owned by PT. Mayora Indah Tbk (MYOR) with the following calculations:
      \[ \text{Size} = \ln (\text{Total Aset}) = \ln (10,291,108,029,334) = 29.9632 \]
   b. The lowest SIZE value of 14.6179 (1461.79%) is owned by PT. Multi Bintang Indonesia Tbk (MLBI) with the following calculations:
      \[ \text{Size} = \ln (\text{Total Aset}) = \ln (2,231,051,000) = 14.6179 \]

2. In 2015
   a. The highest SIZE value was 30.0596 (3005.96%) owned by PT. Mayora Indah Tbk (MYOR) with the following calculations:
      \[ \text{Size} = \ln (\text{Total Aset}) = \ln (11,342,715,686,221) = 30.0596 \]
   b. The lowest SIZE value of 14.5578 (1455.78%) is owned by PT. Multi Bintang Indonesia Tbk (MLBI) with the following calculations:
      \[ \text{Size} = \ln (\text{Total Aset}) = \ln (2,100,853,000) = 14.5578 \]

3. In 2016
   a. The highest SIZE value of 30.1899 (3018.99%) is owned by PT. Mayora Indah Tbk (MYOR) with the following calculations:
      \[ \text{Size} = \ln (\text{Total Aset}) = \ln (12,922,421,859,142) = 30.1899 \]
   b. The lowest SIZE value of 14.6375 (1463.75%) is owned by PT. Multi Bintang Indonesia Tbk (MLBI) with the following calculations:
      \[ \text{Size} = \ln (\text{Total Aset}) = \ln (2,275,038,000) = 14.6375 \]

4. In 2017
   a. The highest SIZE value of 30.3334 (3033.34%) is owned by PT. Mayora Indah Tbk (MYOR) with the following calculations:
\[ \text{Size} = \ln(\text{Total Asset}) = \ln(14,915,849,800,251) = 30.3334 \]

b. The lowest SIZE value of 14.7358 (1473.58\%) is owned by PT. Multi Bintang Indonesia Tbk (MLBI) with the following calculations:

\[ \text{Size} = \ln(\text{Total Asset}) = \ln(2,510,078,000) = 14.7358 \]

From the results of the explanation above, it can be concluded that the company that has the highest SIZE value is PT. Mayora Indah Tbk (MYOR), which occupied the highest position for 4 years in a row, was 30.3334 (3033.34\%). This indicates that the company tends to be more capable and stable to generate profits. Whereas the company that has the lowest SIZE value is PT. Multi Bintang Indonesia Tbk (MLBI) of 14.5579 (1455.79\%). This shows that the level of practice of tax aggressiveness carried out by PT. Multi Bintang Indonesia Tbk (MLBI) is low because the company has a small total asset.

**Effect of Leverage on Tax Aggressiveness**

Based on the results of hypothesis testing, leverage proxied by DER does not significantly influence tax aggressiveness. So it can be concluded that leverage does not have a significant effect on tax aggressiveness. This shows that the higher or lower the leverage of a company does not affect the tax avoidance carried out by the company.

With the higher value of the leverage ratio, it means that the higher the amount of funding from third party debt used by the company and raises the interest cost of the debt. Interest costs, this will affect the level of net income and also reduce the tax burden.

This is because only a small number of company sample this study that use third party debt for funding, so that the interest costs incurred have no significant effect on tax aggressiveness. Thus it is proven that leverage has no effect on tax aggressiveness.

The results of this study are also supported by research (Gemilang, 2017), which states that leverage measured by DER does not significantly influence the tax aggressiveness of the company. And the results of this study are also supported by (Agusti 2014), that the higher or lower the leverage of a company, it will not affect the aggressiveness of taxes carried out by the company. The level of leverage is only because it influences company funding does not affect how the company generates profits.

**Effect of Profitability on Tax Aggressiveness**

Based on the results of hypothesis testing, profitability proxied by ROA has a significant effect on tax aggressiveness, which indicates that the results are supported by data. These results indicate that if there is an increase or decrease in the profitability of a company it will affect the aggressiveness of the tax carried out by the company.

This is possible because ROA is one indicator that can measure a company's ability to generate profits using its total assets. When the value of ROA is high, it is interpreted that the ability of the company to produce profits increases, which will be accompanied by the amount of tax burden that increases or vice versa when the company's profits decline, the amount of tax burden will be small, this will become a consideration for tax aggressiveness.

The results of this study are also supported by research (Gemilang, 2017), which states that profitability as measured by ROA has a significant effect on the tax aggressiveness of the company. And this is also supported by (Nugraha, 2015) which states that profitability affects ETR. The results of the study indicate that the high level of profits received by the company will make the ETR level of the company also increase, so the company will strive to minimize the profits that will be generated in order to obtain a low ETR value.

**Effect of company size on tax aggressiveness**

Based on the results of hypothesis testing, the size of the company proxied with LN has a significant effect on tax aggressiveness which indicates that the results are supported by data. These results indicate that the greater the size of the company, the higher the tendency of companies to carry out tax aggressiveness. This is because companies with relatively large total assets tend to be more capable and more stable in generating profits. These conditions lead to an increase in the amount of tax burden that encourages companies to practice tax aggressiveness.

The results of this study are also supported by research (Kuriah & Asyik, 2016), which states that company size as measured by SIZE has a significant effect on the tax aggressiveness of the company. The results of this study are also supported by research (Ardyansah, 2014) which states that company size has a significant influence on ETR.
The results of these studies indicate that the larger the company, the ETR will be lower, because large companies have more space for good tax planning. The assets owned by the company relate to the size of the company, the greater the assets owned, the greater the company. But each year the assets will experience depreciation which can reduce the net income received by the company so that the amount of the tax burden will also decrease along with the depreciation.

V. CONCLUSIONS

This study aims to obtain empirical evidence about the effect of leverage, profitability, and company size on tax aggressiveness. The sample data used were 11 food and beverage sub-sector manufacturing companies and the cosmetics and household appliances subsector listed on the Indonesia Stock Exchange in 2014-2017. Based on the results of the analysis and discussion described in the previous chapter, conclusions can be taken as follows:
1. Leverage proxied by DER does not have a significant effect on tax aggressiveness with a significant value of 0.275.
2. Profitability proxied by ROA is proven to have a significant effect on tax aggressiveness with a significant value of 0.001.
3. The size of the company proxied by LN is proven to have a significant effect on tax aggressiveness with a significant value of 0.000.
4. Leverage, Profitability and Company Size have a significant effect on tax aggressiveness.

Implication:
The research implication is a method for comparing past research with the latest research.
1. Leverage proxied by DER does not have a significant effect on tax aggressiveness. The results of this study are also supported by research (Gemilang, 2017), which states that leverage measured by DER does not significantly influence the tax aggressiveness of the company.
2. Profitability proxied by ROA is proven to have a significant effect on tax aggressiveness. This result is also supported by (Nugraha, 2015) which states that profitability affects ETR. The results of the study indicate that the high level of profits received by the company will make the ETR level of the company also increase, so the company will strive to minimize the profits that will be generated in order to obtain a low ETR value.
3. The size of the company proxied by LN is proven to have a significant effect on tax aggressiveness. The results of this study are also supported by research (Ardyansah, 2014) which states that company size has a significant influence on ETR. The results of these studies indicate that the larger the company, the ETR will be lower, because large companies have more space for good tax planning.

REFERENCES

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