ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 7| Issue: 10| October 2021|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2021: 8.047 || ISI Value: 1.188

THE EFFECT OF GOOD CORPORATE GOVERNANCE MECHANISM AND CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE ON TAX AVOIDANCE WITH COMPANY SIZE AS MODERATING VARIABLES

Hasian Purba
Accounting Study Program, Faculty of Economics and Business, Universitas Mercu Buana

Article DOI: https://doi.org/10.36713/epra8517
DOI No: 10.36713/epra8517

ABSTRACT

Taxes are the largest source of state revenue which functions as a source of funds intended for financing government expenditures and as a tool to regulate and implement policies in the social and economic fields and are used for the greatest welfare of the people. Therefore, corporate and individual taxpayers are expected to comply with their tax obligations voluntarily and comply with tax regulations. Taxpayer non-compliance can cause disruption to State finances. One of the ways of non-compliance is done by means of tax avoidance. The objectives of this study are as follows: 1) To find empirical evidence regarding the effect of independent boards of commissioners on tax avoidance; 2) Finding empirical evidence regarding the effect of the audit committee on tax avoidance; 3) Finding empirical evidence regarding the effect of audit quality on tax avoidance; 4) Finding empirical evidence regarding the effect of disclosure of corporate social responsibility on tax avoidance; 5) Finding empirical evidence regarding the extent to which firm size can moderate the relationship between independent boards of commissioners and tax avoidance; 6) Finding empirical evidence regarding the extent to which firm size can moderate the relationship between the audit committee and tax avoidance; 7) Finding empirical evidence regarding the extent to which firm size can moderate the relationship between audit quality and tax avoidance; and 8) Finding empirical evidence regarding the extent to which firm size can moderate the relationship between disclosure of corporate social responsibility and tax avoidance. This type of research used in this research is casual associative research (causal associative research).

The population in this study were all manufacturing companies listed on the Indonesia Stock Exchange for the 2015-2019 period. The sample selection was done by using purposive sampling method. The analytical method used to test the hypothesis is Moderated Regression Analysis (MRA). The results showed that: 1) The independent board variable has no effect on tax avoidance in a positive direction; 2) The audit committee variable has no effect on tax avoidance in a negative direction; 3) The audit quality variable has no effect on tax avoidance in a negative direction; 4) The variable of corporate social responsibility disclosure has a negative effect on tax avoidance; 5) The size of the company is able to moderate the relationship between the independent board of commissioners and tax avoidance in a negative direction; 6) The size of the company is unable to moderate the relationship between the audit committee and tax avoidance in a negative direction; 7) The size of the company is not able to moderate the relationship between audit quality and tax avoidance in a positive direction; and 8) Company size is able to moderate the relationship between disclosure of corporate social responsibility and tax avoidance in a negative direction.

KEYWORDS : *Corporate Social Responsibility, Good Corporate Governance, Company Size, Tax Avoidance*

INTRODUCTION

Taxes are the largest source of state revenue. Taxes collected by the State function as a source of funds intended for financing government expenditures and function as a tool to regulate and implement policies in the social and economic fields and are used for the greatest prosperity of the people. Therefore, corporate and individual taxpayers are expected to comply with their tax obligations voluntarily and comply with tax regulations. Taxpayer non-compliance can cause disruption to State finances. One of the ways of non-compliance is done by tax avoidance, namely legal tax avoidance efforts that do not violate taxation regulations by taxpayers by reducing the amount of tax owed by looking for weaknesses (Hutagoal, 2007 in Hasian, 2019).

According to Fitri & Tridahus (2015), the issue of tax avoidance is a complex and unique one. On the one hand it is permissible but on the other hand tax avoidance is undesirable. In Indonesia, various regulations have been made to prevent tax avoidance. One of them is related to transfer pricing, which is about the principle of fairness and prevalence in transactions between taxpayers and parties who have a special relationship (Perdirjen No.PER-43/PJ/ 2010, 2010 in Hasian, 2019).

Cases regarding tax avoidance that have been committed by well-known companies such as Apple Inc (2012) which hid US $ 11 billion in revenue in countries that receive tax breaks include Virginia Island, Ireland and Luxembourg. So that the tax paid is small. Starbuck (2012) who makes financial statements appear to be losing money, namely by paying royalties for designs, recipes and logos to branches in the Netherlands. Paying very high interest debt, where the debt turns out to be used for coffee shop expansion in other countries. Purchasing raw materials from branches in Switzerland. Even though the delivery of goods is direct from the producing country and does not enter Switzerland. Internet search engine company in the United States (2011) The company posted revenue in the UK of 398 million pounds in 2011, but only paid 6 million pounds in taxes. The profits of the British branch company turned out to be transferred to branches in Ireland, the Netherlands and Bermuda. The Bermuda State is a tax haven country that does not collect corporate income tax. And other cases that reduce state revenue in the taxation sector (merdeka.com).

Corporate governance is a system or mechanism that regulates and controls the company to create value added for stockholders. Corporate governance began to be the subject of discussion in Indonesia in 1998 when the country was hit by a crisis. Many people are of the opinion that the duration of improvement in the economic sector at that time was due to the weak implementation of corporate governance in an entity or company. Finally, both the government and investors are really paying special attention to corporate governance. The implementation of corporate governance is expected to influence entities to behave professionally, transparently and efficiently and to optimize the company's managerial functions in every General Meeting of Shareholders (GMS) (Irawan and Aria, 2012).

Good corporate governance can affect tax avoidance. This has been proven empirically by previous researchers such as research conducted by Syeldila & Niki (2015), the results of their research show that the proportion of independent commissioners, audit quality, and audit committee has a negative and significant effect on tax avoidance. According to Arry (2017) in the Influence of Independent Commissioners, Audit Committees, and Audit Quality on Tax Avoidance, the results show that independent commissioners and audit quality have a positive effect on tax avoidance, the audit committee has no significant effect on tax avoidance.

Another factor that is predicted to cause corporate tax aggressiveness is Corporate Social Responsibility. Corporate Social Responsibility (CSR) is referred to as a sustainable business commitment that contributes to the economy through cooperation with interested parties and influences the surrounding environment and the general public to improve the quality of facilities and the survival of the local community and in general in useful ways, both for the business itself and for the wider community or for development (World Bank Group in Sutedi, 2015).

Several items of Corporate Social Responsibility are expenses that can be charged as deductible expenses, for example waste treatment costs, apprenticeship fees, scholarships and training, donations in the context of national disaster management, donations of educational facilities and others (Femitasari, 2014). So it cannot be denied that many companies carry out Corporate Social Responsibility activities as a form of reducing taxable income by implementing Corporate Social Responsibility which can be charged as a cost to reduce gross income.

The relationship between CSR and tax avoidance can be explained that CSR is a form of corporate responsibility to all stakeholders. Tax is a form of corporate social responsibility to stakeholders through the government. Thus, companies involved in tax avoidance are socially irresponsible (Lanis and Richardson, 2012), so that the company's decision to practice tax avoidance is also influenced by the decision to carry out CSR activities (Hidayat et al., 2016).

Hoi et al., (2013) examined the Public United State company in 2003-2009. As a result, companies with irresponsible CSR disclosure will aggressively engage in tax avoidance practices. Research conducted by Dharma and Noviari (2017) aims to test and provide empirical evidence of the effect of corporate social responsibility (CSR) and capital intensity on tax avoidance. The results show that companies that carry out higher CSR activities do not practice much tax avoidance as a form of socially responsible action.

The inconsistency of previous research results related to the influence of good corporate governance (GCG) and corporate social responsibility (CSR) on tax avoidance encourages the author to add company size as a moderating variable for the relationship between good corporate governance (GCG) and corporate social responsibility (CSR). tax avoidance, which later this moderating variable can strengthen or weaken the relationship between good corporate governance (GCG) and corporate social responsibility (CSR) with tax avoidance. The reason for researching manufacturing companies listed on the Indonesia Stock Exchange (IDX) in the 2015-2019 period is because manufacturing companies have different financial characteristics from other companies, so they can cause bias in the results of research. This is due to government regulations that tend to

ISSN (Online): 2455-3662

EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 7| Issue: 10| October 2021|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2021: 8.047 || ISI Value: 1.188

affect the ETR value of manufacturing companies so that it is different from other companies (Lanis and Richardson, 2012).

For reasons as mentioned above, this study intends to examine under the title: "The Effect of Good Corporate Governance Mechanisms and Disclosure of Corporate Social Responsibility on Tax Avoidance with Company Size as a Moderating Variable.

From the description of the research background above, the main issues that will be discussed in this study can be formulated, namely: 1) Does the independent board of commissioners have an effect on tax avoidance ?; 2) Does the audit committee have an effect on tax avoidance ?; 3) Does audit quality affect tax avoidance ?; 4) Does disclosure of corporate social responsibility affect tax avoidance ?; 5) Can the size of the company moderate the relationship between the independent board of commissioners and tax avoidance ?; 6) Can company size moderate the relationship between the audit committee and tax avoidance ?; 7) Can company size moderate the relationship between audit quality and tax avoidance ?; 8) Can company size moderate the relationship between disclosure of corporate social responsibility and tax avoidance?

LITERATURE REVIEW

Legitimacy Theory

According to Ahmad et al (2004 in Hasian, 2017), the theory of legitimacy is based on the notion of a social contract that is implied between social institutions and society. Legitimacy theory also explains that the practice of disclosing corporate responsibility must be implemented in such a way that the company's activities and performance can be accepted by the community. Ghozali and Chariri (2007 in Hasian, 2017) explain that in order to legitimize company activities in the eyes of the community, companies tend to use environmental-based performance and disclosure of environmental information.

Legitimacy theory is the theory most often used, especially when it comes to social and environmental accounting. Although there is still strong pessimism expressed by many researchers, this theory has been able to offer a real point of view regarding the recognition of a company voluntarily by the community.

Stakeholders Theory

The concept of corporate social responsibility has been known since the early 1970s, which is generally known as stakeholder theory which means as a collection of policies and practices related to stakeholders, values, compliance with legal provisions, community and environmental respect, and the commitment of the business world to contribute to sustainable development. Stakeholder theory begins with the assumption that value is explicitly and undeniably a part of business activities. (Freeman, et all., 2002 in Siti & Hasian, 2019).

Stakeholder theory says that a company is not an entity that only operates for its own interests but must provide benefits for its stakeholders. Thus, the existence of a company is strongly influenced by the support provided by stakeholders to the company (Ghozali and Chariri, 2007 in Hasian, 2019).

Agency theory

Agency theory or agency theory can be viewed as a contractual model between two or more people (parties), where one party is called an agent and the other is called a principal. The principal delegates responsibility for desicion making to the agent, it can also be said that the principal gives the agent a mandate to carry out certain tasks in accordance with the agreed work contract. The powers and responsibilities of both the agent and principal are regulated in a work contract with mutual consent (Hasian, 2019).

Good Corporate Governance (GCG)

According to Keasy, corporate governance is a structure, process, culture and system to create successful operational conditions for an organization (Sunarto in Syukri and Chenny, 2018). Koesnohadi (in Syukri and Chenny, 2018) said that "Good corporate governance is a relationship among stake holders that is used to determine and control the strategic direction and performance of organization".

According to Tangkilisan (2003, in Angrum, 2016) good corporate governance (GCG) is a system and structure for managing a company with the aim of increasing company value and allocating it to various interested parties such as creditors, suppliers, business associations, consumers, workers, government and wide community. The same thing was also expressed by Sutedi (2011 in Hasian, 2019) GCG by definition is a system that regulates and controls a company to create value added for all shareholders (stakeholders). GCG can only be created if there is a balance between the interests of all parties and the interests of the company to achieve company goals (Khairandy and Malik, 2007 in Angrum, 2016).

From the above understanding, it can be concluded that Good Corporate governance is a system of corporate governance so that it can be better and can increase corporate value by promoting justice for all stakeholders, transparency regarding the condition of the company as part of the external environment. (Haris, 2008 in Syukri and Chenny, 2018)

The measurement of corporate governance in this study uses the following variables:

ISSN (Online): 2455-3662

EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 7| Issue: 10| October 2021|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2021: 8.047 || ISI Value: 1.188

a. Independent Board of Commissioners

According to Puspitasari and Ernawati (2010 in Syukri and Chenny, 2018) independent commissioners are members of the board of commissioners who have no relationship related to finance, management, share ownership and / or family with other members of the board of commissioners, directors and / or controlling shareholders or other relationships. who is able to act independently. The board of commissioners plays an important role in corporate governance, because the company law concerns the company's legal affairs and responsibilities to the board of commissioners.

In a company, the board of commissioners represents the main internal mechanism in carrying out the control function of the principal and oversees the opportunistic behavior of management. The board of commissioners also acts as a representative for shareholders who functions to control and provide advice to the board of directors in implementing GCG. A dual board (two-tier) system is a system that a company uses in its internal organizational structure, which is better known as the board of commissioners and the board of directors.

The proportion of independent commissioners in this study is calculated using the ratio of independent commissioners divided by the total number of commissioners.

b. Audit Committee

The audit committee is a committee that is responsible for overseeing external audit and is the main contact between the auditor and the company (Hasian, 2019). The existence of an audit committee in a company is expected to provide views on issues related to financial policy, accounting and internal control of a company. In this study, the audit committee will be measured using a ratio, namely the number of audit committees outside the independent commissioners divided by the number of audit committees in the company.

c. Audit quality

Audit quality is all the possibilities that can occur when the auditor audits the client's financial statements and finds violations or errors that have occurred and reports them in the audited financial statements (Hasian, 2019). Transparency towards shareholders can be achieved by reporting matters related to taxation on the capital market and shareholders' meetings. Increased transparency towards shareholders in terms of taxes is increasingly being demanded by public authorities (Sartori, 2010 in Hasian, 2019). Due to the assumption that there are implications of tax aggressive behavior, their company is taking an aggressive position in terms of taxes and would have prevented such action if they had been in the previous year. Therefore, audit quality is measured using a dummy variable with a value of 1 if the financial statement audit is carried out by The Big Four Public Accounting Firm, namely Price Water House Cooper – PWC, Deloitte Touche Tohmatsu, KPMG, and Ernst & Young –E & Y, and a value of 0. if the financial statement audit is not carried out by The Big Four Public Accounting Firm.

Corporate Social Responsibility

Coporate Social Responsibility (CSR) is an action or concept carried out by a company (according to the company's capabilities) as a form of their responsibility towards the social or environment around the company (Rachmad, et al., 2011 in Ana & Hasian, 2020). Corporate Social Responsibility involves all relationships that occur in the company with all stakeholders including customers, or customers, employees, communities, owners or investors, government, and even levels of society. If a company manages its company's CSR well, then the company will get significant benefits and benefits in the form of company reputation, namely, in terms of recruitment, motivation and employee references as well as suggestions for building and maintaining cooperation.

The disclosure of corporate social responsibility is measured by a CSRI (corporate social responsibility index) proxy based on the CSR disclosure indicator based on the fourth generation Global Reporting Initiative (GRI) or called G4 with 91 CSR disclosure indexes. Information regarding Corporate Social Responsibility based on GRI 4 consists of 3 focus disclosures, namely social, economic, and environmental (Heryanto & Julianto, 2017).

CSR disclosure is carried out using the CSDI approach. This approach uses a dichotomy approach, in which each social responsibility item in the research instrument is given a value of 1 if it is disclosed, and a value of 0 if it is not disclosed (Haniffa et al., 2005 in Ana & Hasian, 2020). Furthermore, the scores of each item are added together to obtain the overall score for each company.

The CSDI calculation formula is as follows (Ana & Hasian, 2020):

$$\text{CSDIj} = \frac{\Sigma \text{Xij}}{\text{nj}}$$

Keterangan :

CSDIj	=	Company Corporate Social Disclosure Index j
Nj	=	The number of items to be disclosed, nj = 91
Xij	=	The number of known items gets a score of 1 if the item is unknown, 0 if the item has no known disclosure.

ISSN (Online): 2455-3662

EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 7| Issue: 10| October 2021|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2021: 8.047 || ISI Value: 1.188

Tax avoidance

Tax Avoidane is a transaction scheme aimed at minimizing the tax burden by exploiting the loophole of a country's taxation provisions. According to Lim (2011 in Ana & Hasian, 2020) defines tax avoidance as tax savings that arise by utilizing taxation provisions that are carried out legally to minimize tax obligations.

Tax avoidance is a tax avoidance effort that is carried out legally and safely for taxpayers because it does not conflict with taxation provisions, where the methods and techniques used tend to take advantage of the weaknesses (gray area) contained in the tax laws and regulations themselves, to reduce the amount of tax owed (Pohan, 2013).

According to Dyreng et al. (2010 in Ana & Hasian, 2020) this variable is calculated using the cash effective tax rate (CETR), namely the payment of income tax divided by the profit before tax.

Company Size

The size of the company is the size of the company, a large, established company will have easy access to the capital market (Purnamasari & Fitria, 2015). Large companies pay more attention to the public so that they will be more careful in doing financial reporting, so that the impact is that these companies report their conditions more accurately. Peasnell, et. all (1998 in Bintara, 2019) shows a negative relationship between firm size and earnings management in the UK. It can be concluded that managers who lead larger companies have a smaller chance of manipulating profits than managers in small companies.

Song and Windram (2000 in Bintara, 2019) also investigated the relationship between firm size and the quality of financial reporting in the UK. The results found that company size has a significant relationship to the quality of financial reporting. This is supported by the tendency that large companies are able to hire better external auditors and to better implement internal controls in their accounting departments.

Chtourou, et. all (2001 in Bintara, 2019) examines the impact of firm size on earnings management in the United States. By grouping earnings management into three parts: high, medium, and low earnings management, they find that firm size has a negative effect on earnings management in all test groups. Larger companies have a smaller chance of doing earnings management than smaller companies.

The size of the company will be denoted by SIZE, and measured using the natural logarithm (ln) of total sales.

Previous Research Studies

Previous research that can support this research is Ginting (2016) in his research entitled "The Effect of Corporate Governance and Fiscal Loss Compensation on Tax Avoidance with Company Size as a Moderating Variable". The results showed that Partially Institutional Ownership and Fiscal Loss Compensation had a significant effect on Tax Avoidance, while Independent Commissioners had no significant effect on Tax Avoidance. Company size is unable to moderate (strengthen or weaken) the influence of Institutional Ownership, Independent Commissioners and Fiscal Loss Compensation on Tax Avoidance.

Rahmawati, et al (2016) in their research entitled "The Effect of Disclosure of Corporate Social Responsibility and Corporate Governance on Tax Avoidance (Studies in Manufacturing Companies Listed on the IDX 2012-2014)" provides evidence that the proportion of CSR and independent commissioners has a positive and significant effect. , managerial ownership, institutional ownership, have a negative and significant effect on tax avoidance, while the audit committee and the quality of external auditors do not have a significant effect on tax avoidance.

Arry (2017) in his research entitled "The Effect of Independent Commissioners, Audit Committees, and Audit Quality on Tax Avoidance" provides empirical evidence that independent commissioners and audit quality have a positive effect on tax avoidance, the audit committee has no significant effect on tax avoidance. . Simultaneously the independent commissioner, audit committee and audit quality have a significant effect on tax avoidance.

Fitria (2018) in her research entitled "The Influence of Institutional Ownership, Independent Commissioners, Executive Character and Size Against Tax Avoidance (Empirical Study of Trade Sector Issuers Listed on the IDX 2015-2019)" provides evidence that institutional ownership, Independent Commissioners, characteristics the executive has no significant effect on tax avoidance. Meanwhile, company size has a significant effect on tax avoidance.

Ningrum et al. (2018) in his research entitled "The Effect of Corporate Social Responsibility Disclosure on Tax Avoidance with Gender as a Moderation Variable (Empirical Study of Manufacturing Companies Listed on the Indonesia Stock Exchange in 2016)". The results of this study indicate that CSR disclosure has a negative effect on tax avoidance. Gender (the proportion of women on company boards) has strengthened the effect of CSR disclosure on tax avoidance practices.

Theoretical Framework

Based on the theoretical basis and several previous studies, the framework in this study can be shown by the following figure:

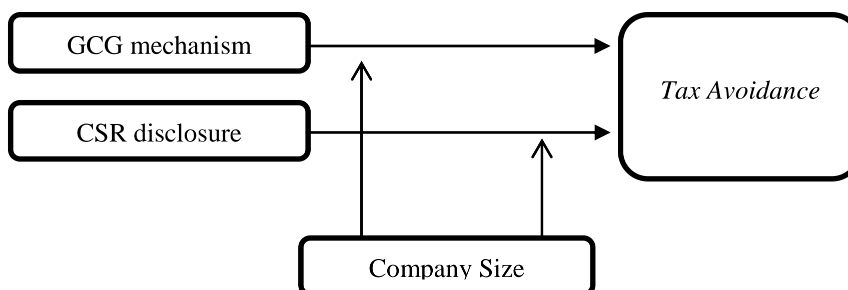

Figure 1.1 Research Model

Research Hypothesis

From the framework of thought above, the researcher draws a hypothesis as follows:

Ha1 = Independent Board of Commissioners has a negative effect on Tax Avoidance
Ha2 = Audit Committee has a negative effect on Tax Avoidance
Ha3 = Audit quality has a negative effect on Tax Avoidance
Ha4 = CSR disclosure has a negative effect on Tax Avoidance
Ha5 = Company size can moderate the relationship between the Independent Commissioner and Tax Avoidance
Ha6 = Company size can moderate the relationship between the Audit Committee and Tax Avoidance
Ha7 = Company size can moderate the relationship between Audit Quality and Tax Avoidance
Ha8 = Company size can moderate the relationship between CSR Disclosure and Tax Avoidance

RESEARCH METHODOLOGY

Types of research

This type of research used in this research is casual associative research (causal associative research). According to Sanusi (2011), associative-causal is research that looks for a relationship between two or more variables. The purpose of associative research is to find a relationship between one variable and another.

Operational Definition and Variable Measurement

The variables used in this study consisted of the dependent variable and the independent variable. The operational research variables can be summarized in table 1.1.

Table 1.1 Variable Operationalization

Jenis Variabel	Defenisi Operasional	Pengukuran	Skala
Dependent			
Tax Avoidance	Tax avoidance efforts are carried out legally and safely for taxpayers because they do not conflict with taxation provisions, where the methods and techniques used tend to take advantage of the weaknesses (gray area) contained in the tax laws and regulations themselves, to minimize the amount. the tax payable (Ana & Hasian, 2020)	*Cash Effective Tax Rate* (CETR)	Ratio
Independent			
Independent Board of Commissioners	Members of the board of commissioners who do not have financial, management, share ownership and/or family relationships with controlling shareholders, members of the board of commissioners and/or members of the board of directors (Peraturan BI No 11/33/PBI/2009)	The number of independent commissioners is divided by the total number of commissioners	Ratio
Audit Committee	The committee responsible for overseeing external audit and is the main contact between the auditors and the company (Hasian, 2019)	The number of audit committees outside the independent commissioners divided by the number of	Ratio

ISSN (Online): 2455-3662

EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 7| Issue: 10| October 2021|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2021: 8.047 || ISI Value: 1.188

Jenis Variabel	Defenisi Operasional	Pengukuran	Skala
		audit committees in the company Ratio	
Audit Quality	All possibilities that can occur when the auditor audits the client's financial statements and finds violations or errors that have occurred and reports them in the audited financial statements (Hasian, 2019)	Value 1 if the financial statement audit is carried out by KAP The Big Four, and is worth 0 if the financial statement audit is not done by KAP The Big Four	dummy
CSR Disclosure	An action or concept taken by a company (according to the company's ability) as a form of their responsibility towards the social or environment around the company (Ana & Hasian, 2020)	$\frac{\Sigma Xij}{nj}$	Ratio
Moderating			
Company Size	The size of the company, the size of the company, a large, established company will have easy access to the capital market (Purnamasari & Fitria, 2015)	Logarithm of Natural Total Sales	Ratio

Population and Research Sample

The population used in this study are all manufacturing companies listed on the Indonesia Stock Exchange for the 2015-2019 period. The sample is a part of the population that is used to estimate the characteristics of the population. The sampling technique used was purposive sampling technique. Sampling is done by taking a sample from the population based on certain criteria. The criteria used are based on certain judgments. The sampling criteria in this study are as follows:

a. The company publishes annual reports and financial reports for 4 consecutive years (2015-2019) which can be accessed from the IDX website (www.idx.co.id) or from the company's website and has complete data required in this study.
b. The company did not experience a loss during the research year. This is because it will cause the ETR value to be negative, making it difficult to calculate.
c. Companies that have an ETR between 0-1 can make it easier to calculate, where the lower the ETR value (close to 0), the company is considered to be more tax aggressive.

According to the aforementioned criteria, the number of company samples used was 67 companies for 5 periods, namely 2015, 2016, 2017, 2018 and 2019. So the total sample size was 67 companies x 5 periods = 335 data to be used in this study.

Types and Sources of Data

In this study, the type of data used is quantitative data. While the data source used is a type of secondary data. This study uses secondary data obtained from the annual financial statements of manufacturing companies listed on the IDX during 2015-2019, which are documented in www.idx.co.id and other relevant sources.

Data collection technique

The data collection method in this research is literature study method and documentation method. The literature study method is by conducting literature reviews and reviewing various literatures such as various journals, articles and other literature books that support this research process. While the documentation method is the process of collecting data by recording documents related to this research.

Method of Analysis

Descriptive statistics

Descriptive statistics in this study are used to provide a description of the character of the research variables by using a frequency distribution table that shows the mode number, score range and standard division.

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 7| Issue: 10| October 2021|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2021: 8.047 || ISI Value: 1.188

Classic assumption test

This research was conducted with a simple regression analysis. The use of simple regression analysis must be free from testing classical assumptions. For this reason, before a simple regression analysis is carried out, the classical assumption is tested first. The classical assumption test is done by using the normality test, multicolonierity test, heteroscedasticity test and autocorrelation test.

Hypothesis testing

In this study the authors used three independent variables, one dependent variable and one moderating variable. The analytical method used to test the hypothesis is the interaction test or often called Moderated Regression Analysis (MRA), which is a special application of linear multiple regression where the regression equation contains an element of interaction (multiplication of two or more independent variables) (Ghozali, 2011). The regression equation is as follows:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \varepsilon$$

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3Z + \varepsilon$$

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3Z + \beta_4X_1{*}Z + \beta_5X_2{*}Z + \beta_6X_3{*}Z + \varepsilon$$

Where :

Y = Tax Avoidance
α = constant or value Y if X = 0
β = number or direction of the regression coefficient, which shows the number of increases or decreases in the dependent variable based on the independent variable
X1 = Independent Commissioner
X2 = Audit Committee
X3 = Audit Quality
X4 = CSR disclosure
X5 = Company Size
Ɛ = error rate of intruder/error

In this study, the significance level (α) 0.05 or 5% was used. This multiple regression analysis was carried out with the help of the SPSS (Statistical Package For Social Sciences) program Release 25.0 for Windows so that the coefficient of determination, the F statistical value and the t statistical value used in hypothesis testing can be obtained.

RESEARCH RESULTS AND DISCUSSION

Description of Research Data

The results of descriptive statistics about the research variables are presented in table 1.2. From this table, information about the mean, maximum value, minimum value and standard deviation can be found.

Table 1.2 Descriptive Statistics Results

Variabel	N	Min	Max	Mean	Std. Deviation
Independent Board of Commissioners	335	0,20	0,67	0,40	0,088
Audit Committee	335	0,00	1,00	0,64	0,125
Audit Quality	335	0,00	1,00	0,52	0,500
Disclosure of Corporate Social Responsibility	335	0,04	0,45	0,24	0,104
Company Size	335	25,75	33,49	28,58	1,572
Tax Avoidance	335	0,01	0,97	0,28	0,130

Source: Processed data (2021)

Based on table 1.2 above, the descriptive statistical results of the research variables can be presented as follows: The average value of the independent board of commissioners variables is 0.40 or 40%, which means that the size of the independent board of commissioners owned by each company has met the requirements stipulated by the Financial Services Authority Regulation Number 33 / POJK.04 / 2014 that the board of commissioners of an issuer or public company consists of at least three boards of commissioners (POJK, 2014).

The value of the standard deviation is 0.088 or 8.8%, this value shows the magnitude of the maximum increase and decrease in the size of the independent board of commissioners that may occur. The variable for the independent board of commissioners ranges from the lowest value of 0.20 or 20% to the highest value of 0.67 or 67%.

The audit committee variable has an average of 0.64 or 64%. This shows that the audit committee owned by each company has met the requirements stipulated by the Financial Services Authority Regulation Number 55 /POJK.04/2015 that the audit committee consists of at least 3 (three) members who come from independent commissioners and parties from outside the issuer or public company (POJK, 2015). The value of the standard deviation is 0.125 or 12.5%, this value is relatively small compared to the average value of the audit committee of the sample companies. The audit committee variable ranges from the lowest value of 0.00 or 0%, which means that all members of the company's audit committee are sampled from the elements of the independent board of commissioners. And the highest value is 1.00 or 100%, which means that all members of the audit committee of the sample company are not members of the independent board of commissioners.

The audit quality variable has an average value of 0.52. This shows that 52% of sample companies have their financial statements audited by The Big Four Public Accounting Firm (KAP). The standard deviation value of the audit quality variable is 0.500, this value shows the amount of maximum increase and decrease in the audit quality variable that may occur. The lowest score is 0 and the highest score is 1.

The average value of the Corporate Social Responsibility disclosure variable is 0.24 (24%) with a standard deviation value of 0.104 (10.4%), which indicates the level of variation in data distribution. The average is 0.24 (24%), this shows that the average index of the variable corporate social responsibility disclosure by the company is relatively low. The variable of Corporate Social Responsibility disclosure ranges from the lowest value of 0.04 (4%) to the highest value of 0.45 (45%).

The average value of company size as measured by the natural logarithm of total assets is 28.58 trillion with a standard deviation value of 1.572 trillion, which means that the data variation is small (less than 27.005 trillion from the mean). The size of the company ranges from the lowest value of 25.75 trillion, namely the Ateliers Mecaniques D'Indonesie Tbk company in 2015 to the highest value of 33.49 trillion, namely the Astra International Tbk company in 2019. The average company size value is 28.58. that the sample companies have an average of 28.58 trillion assets.

The average value of Tax Avoidance as measured by CETR (Cash Effective Tax Rate) is 0.28 or 28% with a standard deviation value of 0.130 or 13%, which means that the data variation is very small (less than 15.2% of the mean). CETR ranges from the lowest value of 0.01 or 1%, namely the Kabelindo Murni Tbk company in 2017 to the highest value of 0.97 or 97%, namely the Star Petrochem Tbk company in 2018.The average CETR value of 0.28 shows that the company issued cash for tax payments by an average of 28% of the total profit before tax in the sample companies.

Classic assumption test

Normality test

Normality testing using the Lilliefors test. The provisions in the error test are if the L statistic counts <L table (α = 0.05), then the error data is normally distributed. But if L count> L table (α = 0.05), then the data are not normally distributed. The calculation results are as follows:

Table 1.3 Summary of Normality Test

No	Taksiran	n	L_{Hitung}	L_{Tabel}		Keputusan
				α = 0,05	α = 0.01	
1	Y atas X1	335	-0,0329	0,0484	0,0563	Normal
2	Y atas X2	335	-0,0358	0,0484	0,0563	Normal
3	Y atas X3	335	-0,0436	0,0484	0,0563	Normal
4	Y atas X4	335	-0,0489	0,0484	0,0563	Normal
5	Y atas X5	335	-0,0388	0,0484	0,0563	Normal

Source: Processed data (2021)

Multicolonierity Test

The tolerance calculation results according to table 1.4 show that there are no independent variables that have a tolerance value less than 10%; all tolerance values are more than 10%; which means there is no correlation between variables. The results of the calculation of the variance inflation factor (VIF) value also show the same thing, there are no independent variables that have a VIF value of more than 10; All of the

ISSN (Online): 2455-3662

EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 7| Issue: 10| October 2021|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2021: 8.047 || ISI Value: 1.188

variance inflation factor (VIF) values are less than 10. The conclusion is that there is no multicolonierity between the independent variables in the regression model based on the tolerance value test.

Table 1.4 Multicollinearity Test Results

Variabel	Collinearity Statistics	
	Tolerance	VIF
Independent Board of Commissioners	0,957	1,045
Audit Committee	0,915	1,093
Audit Quality	0,68	1,471
Disclosure of Corporate Social Responsibility	0,239	4,188
Company Size	0,282	3,552

Source: Processed data (2021)

Autocorrelation Test

The autocorrelation test is used to determine whether there is a correlation between the confounding error in a certain period and the disturbing error in the previous period. A good regression model is a regression that is free from autocorrelation. The autocorrelation test can be done with the Durbin-Watson (DW) test. The results of the autocorrelation test can be seen in the following table:

Table 1.5 Autocorrelation test results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,270[a]	0,073	0,059	0,126	2,141

Source: Processed data (2021)

Based on the SPSS output, the Durbin Watson statistical value is 2.141. Meanwhile, from the Durbin Watson table with n = 335 and k = 5, it is obtained d table, namely dl (outer limit) = 1.784 and du (inner limit) = 1.838 with a significance level of 5%, 4-du = 2.162; and 4-dl = 2,216; So from the calculation it is concluded that the DW-test is located in the test area. Referring to Ghozali (2011), the regression model in this study is free from autocorrelation problems because the Durbin Watson score is between du and 4-du.

Heteroscedasticity Test

The detection of heteroscedasticity is: 1) The probability value> 0.05 means that it is free from heteroscedasticity. 2) The probability value <0.05 means that you are exposed to heteroscedasticity. The test results using the Spearman rank test can be seen in the following table:

Table 1.6 Heteroscedasticity Test Results

			X1	X2	X3	X4	X5
Spearman's rho	Abres	Correlation Coefficient	-0,098	0,108	0,022	-0,045	0,044
		Sig. (2-tailed)	0,074	0,058	0,695	0,098	0,418
		N	335	335	335	335	335

Source: Processed data (2021)

The results of the Spearman rank test in the table above show that the significance probability value of each variable is 0.074, 0.058, 0.695, 0.098 and 0.418. Because the significance probability value of each variable is greater than 0.05, it can be concluded that the data is free from heteroscedasticity.

Interaction Test

The interaction test or often referred to as Moderated Regression Analysis (MRA) is a special application of linear multiple regression where the regression equation contains an element of interaction (multiplication of two or more independent variables) (Ghozali, 2011). Analysis with this interaction test was carried out with the help of the SPSS (Statistical Package For Social Sciences) program Release 25.0 for Windows. From data processing through the SPSS program, the following results were obtained:

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 7| Issue: 10| October 2021|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2021: 8.047 || ISI Value: 1.188

Tabel 1.7 Hasil analisis regresi

Keterangan	B	t_{tabel}	t_{hitung}	Sig	Adj R^2	F_{hitung}	Sig
Persamaan 1							
(Constant)	-0,183				0,059	5,194	0,000
X1	0,150	1,967	1,900	0,058			
X2	0,010	1,967	0,183	0,855			
X3	-0,014	1,967	-0,830	0,407			
X4	-0,460	1,967	-3,395	0,001			
X5	0,018	1,967	2,192	0,029			
Persamaan 2							
(Constant)	-2,921				0,091	4,729	0,000
X1	3,438	1,967	2,750	0,006			
X2	0,704	1,967	0,681	0,496			
X3	-0,662	1,967	-1,650	0,100			
X4	4,244	1,967	2,865	0,004			
X5	0,116	1,967	3,279	0,001			
X1X5	-0,116	1,967	-2,618	0,009			
X2X5	-0,025	1,967	-0,708	0,480			
X3X5	0,023	1,967	1,629	0,104			
X4X5	-0,169	1,967	-3,190	0,002			

Source: Processed data (2021)

Based on the results of the regression testing above, an equation can be formed as follows: $Y = -0{,}183 + 0{,}150X_1 + 0{,}010X_2 - 0{,}014X_3 - 0{,}460X_4 + 0{,}018X_5 + e$ dan $Y = -2{,}921 + 3{,}438X_1 + 0{,}704X_2 - 0{,}662X_3 + 4{,}244X_4 + 0{,}116X_5 - 0{,}116X_1X_5 - 0{,}025X_2X_5 + 0{,}023X3_2X_5 - 0{,}169X_4X_5 + e$

From table 1.7 it is known that the adjusted R square value in equation 1 is 0.059. This means that 5.9% tax avoidance can be influenced by the independent board of commissioners, audit committee, audit quality, disclosure of corporate social responsibility and company size, the remaining 94.1% (100% - 5.9%) explained by reasons other than the model. While the adjusted R square value in equation 2 is 0.091. This means that 9.1% tax avoidance can be influenced by the independent board variable, audit committee, audit quality, disclosure of corporate social responsibility, company size, X_1X5, X_2X5, X_3X_5 and X_4X_5, the remaining 90.9% (100% - 9 , 1%) explained by reasons other than the model.

From the Anova test or F test in table 1.7 above, the calculated F value in equation 1 is 5.194 with a significance probability that shows 0.000. The test probability value is much smaller than α = 0.05. This shows that simultaneously (simultaneously) tax avoidance can be influenced by the independent board of commissioners, the audit committee, audit quality, disclosure of corporate social responsibility and company size. Meanwhile, the calculated F value in equation 2 is 4.729 with a significance probability that shows 0.000. The test probability value is much smaller than α = 0.05. This shows that simultaneously (simultaneously) tax avoidance can be influenced by the variables of the independent board of directors, the audit committee, audit quality, disclosure of corporate social responsibility, company size, X_1X5, X_2X5, X_3X_5 and X_4X_5.

Hypothesis test

The effect of the independent board of commissioners on tax avoidance

Based on the results of the calculations in table 1.7 above, it can be seen that t table is greater than t, with a value of 1.967 and t of 1.900 and a significance level of greater than 0.05. This means that the independent board of commissioners has no effect on tax avoidance in a positive direction. Thus Ha1 was rejected.

The effect of the audit committee on tax avoidance

Based on the results of the calculations in table 1.7 above, it can be seen that the t-table is greater than t, with a t-table value of 1.967 and tcount 0.183 and a significance level much greater than 0.05. This means that the audit committee has no effect on tax avoidance in a positive direction. Thus Ha2 was rejected.

The effect of audit quality on tax avoidance

Based on the results of the calculations in table 1.7 above, it can be seen that the t-table is greater than t, with a t-table value of 1.967 and tcount -0.830 and a significance level much greater than 0.05. This means that audit quality has no effect on tax avoidance in a negative direction. Thus Ha3 was rejected.

The effect of disclosure of corporate social responsibility on tax avoidance

Based on the results of the calculations in table 1.7 above, it can be seen that the t table is smaller than t, with a ttable value of 1.967 and tcount -3.395 and the significance level is much smaller than 0.05. This means that the disclosure of corporate social responsibility has a negative effect on tax avoidance because it has a negative direction. Thus Ha4 was accepted.

Firm size can moderate the relationship between the independent board of commissioners and tax avoidance

Based on the calculation results in table 1.7 above, it can be seen that the value of t count X_1X_5 (moderator) is greater than t table, with a tcount of -2.618 and t table 1.967 and a significance level of less than 0.05. This means that company size is able to moderate the relationship between the independent board of commissioners and tax avoidance. Thus Ha5 was accepted.

Firm size can moderate the relationship between the audit committee and tax avoidance

Based on the calculation results in table 1.7 above, it can be seen that the value of t count X_2X_5 (moderator) is smaller than t table, with a tcount of -0.708 and t table 1.967 and a significance level of greater than 0.05. This means that company size is not able to moderate the relationship between the audit committee and tax avoidance. Thus Ha6 was rejected.

Firm size can moderate the relationship between audit quality and tax avoidance

Based on the results of the calculations in table 1.7 above, it can be seen that the value of t count X_3X_5 (moderator) is smaller than t table, with a tcount of 1.629 and t table of 1.967 and a significance level of greater than 0.05. This means that company size is unable to moderate the relationship between audit quality and tax avoidance. Thus Ha7 was rejected.

Firm size can moderate the relationship between disclosure of corporate social responsibility and tax avoidance

Based on the calculation results in table 1.7 above, it can be seen that the tcount X_4X_5 (moderator) is greater than ttable, with tcount -3.190 and ttable 1.967 and the significance level is smaller than 0.05. This means that company size is able to moderate the relationship between disclosure of corporate social responsibility and tax avoidance. Thus Ha8 was accepted.

DISCUSSION

The effect of the independent board of commissioners on tax avoidance

From the research results, it is known that the independent board variable has no effect on tax avoidance in a positive direction. This shows that the more the proportion of independent commissioners owned by the company so that tax avoidance cannot be minimized. The results of this study are in line with research conducted by Ginting (2016) and Fitria (2018) which states that the independent board of commissioners has no effect on tax avoidance. But the results of this study are not in line with the research conducted by Arry (2017) which states that the effect of independent commissioners on the act of minimizing corporate tax can be explained that the more the number of independent commissioners, the greater the effect on monitoring management performance This supervision can reduce agency problems that arise such as the opportunistic attitude of management towards bonuses, so that management has an interest in reducing tax payments to maximize the bonus received by management. With greater supervision, management will be careful in making decisions and be transparent in running the company so that tax avoidance can be minimized. The independent commissioner can actively encourage management to comply with applicable tax laws and regulations and reduce risks such as low investor confidence.

The effect of the audit committee on tax avoidance

From the research results, it is known that the audit committee variable has no effect on tax avoidance in a negative direction. This means that the high or low number of audit committees in a company cannot minimize tax avoidance actions.

The existence of an audit committee that has the task of supervising and evaluating operational performance so that it can run well, in the corporate governance mechanism the audit committee plays an active role in determining policies related to tax burden policies which have a close relationship to tax avoidance activities. The large or small number of audit committees in the company ensures that the audit committee can take precautions against tax evasion by the company. According to the BEI and Bapepam-LK audit committee regulations, every company listed on the IDX is required to have an audit committee, whose members consist of one independent commissioner as chairman and at least 2 independent external companies as members. The board of commissioners is obliged to form an audit committee of at least three people who are appointed and dismissed and are responsible for the board of commissioners. Audit committees with fewer members tend to be able to act more efficiently, but they also have weaknesses, namely the lack of experience of members.

The results of this study support the research conducted by Rahmawati, et al (2016) and Arry (2017) which states that the audit committee has no significant effect on tax avoidance.

The effect of audit quality on tax avoidance

From the research results, it is known that the audit quality variable has no effect on tax avoidance in a negative direction. This means that there is no significant difference between the companies that have been audited by the big four public accounting firm and the non-big four public accounting firm in auditing financial statements which shareholders can misuse to prevent tax avoidance. This is because Public Accounting Firms, both the big four and non big four, have a good reputation in conducting corporate audits that are guided by the quality control standards on audit quality that have been set by the Indonesian Public Accountants Professional Standards Board (DSAP IAPI) as well as the existence of established rules. by the Indonesian Public Accountants Association (IAPI) so that the audit has been confirmed in accordance with the established rules.

The results of this study support the research conducted by Rahmawati, et al (2016) which states that audit quality has no effect on tax avoidance. But it is not in line with the results of Arry's (2017) study which states that audit quality has a significant effect on tax avoidance.

The effect of disclosure of corporate social responsibility on tax avoidance

From the research results, it is known that the variable corporate social responsibility disclosure has a negative effect on tax avoidance. This means that the higher the company discloses corporate social responsibility, the lower the company practices tax avoidance. The results of this study support the research conducted by Ningrum (2018) which states that the higher the company makes CSR disclosure, the lower the company practices tax avoidance. The same thing was expressed by Dharma and Noviari (2017), companies with responsible CSR activities have a lower likelihood of being involved in tax avoidance activities.

In Indonesia, CSR activities are voluntary or not mandatory for companies. This can be explained in Law No. 40 of 2007 article 1 paragraph 3 concerning Limited Liability Companies (PT) states that social and environmental responsibility (CSR) is a company / company commitment to participate in sustainable economic development in order to improve the quality of life and the environment that is beneficial, both for the company itself and the community. local and community in general. Based on this definition, social and environmental responsibility (CSR) is a commitment or awareness of the company. Companies with voluntary disclosure of social responsibility (CSR) or with the awareness of the company's organs integrate social and environmental attention and transparency into the company's operations and interactions with its stakeholders. If the company does tax evasion, the company's reputation will be damaged in the eyes of the community or stakeholders. So that a high level of CSR activity tends to increase the attitude of responsibility that the company has, which is reflected in its obedient attitude in paying the tax burden that has been determined or not doing tax evasion.

Firm size can moderate the relationship between independent board size and tax avoidance

The results showed that company size was able to moderate the relationship between the independent board of commissioners and tax avoidance in a negative direction. This means that tax avoidance can be minimized by large companies or small companies that have a high number of independent commissioners.

The independent board of commissioners is responsible for monitoring the quality of the information contained in the financial statements. Ariawan and Setiawan (2017) state that the existence of an independent board of commissioners in the company will increase supervision and monitoring of company management in

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 7| Issue: 10| October 2021|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2021: 8.047 || ISI Value: 1.188

every decision that will be taken. Tight supervision by an independent board of commissioners can influence company management, namely agents, to compile quality financial reports and comply with applicable tax regulations. With the existence of an independent board of commissioners, in any formulation of corporate strategy carried out by the independent board of commissioners along with company management and stakeholders, it will guarantee effective and efficient results, including the policy regarding the amount of the company's effective tax rate. Independent commissioners can carry out a monitoring function to support better company management and make financial reports more objective. Therefore, the opportunistic behavior of management in large or small companies can be avoided by having an independent board of commissioners in a company.

The results of this study do not support the findings of Ginting (2016) which states that the interaction between the independent board of commissioners and company size has no effect on tax avoidance.

Firm size can moderate the relationship between the audit committee and tax avoidance

The results showed that company size was unable to moderate the relationship between the audit committee and tax avoidance in a negative direction. This means that tax avoidance actions cannot be minimized by large companies or small companies that have a high number of audit committees.

The audit committee is a part of company management that has a significant influence in determining company policy. Audit committee members with accounting or financial expertise better understand gaps in tax regulations in a way that avoids detection risks, so they can provide useful advice on tax avoidance (Mulyani et al., 2018). In corporate governance there is a principle of accountability, this is intended so that every element in the disclosed financial statements can be informed in an accountable manner, besides that the formation of an audit committee is also expected to reduce agency problems in the company.

Based on agency theory, the higher the existence of the audit committee in the company, the better supervision of company activities and agency conflicts that occur due to management's desire to implement tax avoidance can be minimized. This shows that a company that has an audit committee that does its job well will be more responsible and open in presenting financial reports because the audit committee will always supervise all activities within the company, thereby minimizing tax avoidance.

Firm size can moderate the relationship between audit quality and tax avoidance

The results showed that firm size was unable to moderate the relationship between audit quality and tax avoidance in a positive direction. This means that tax avoidance actions cannot be minimized by large companies or small companies whose financial reports are audited by the big four public accounting firms and non big four public accounting firms.

Audit quality is all the possibilities that can occur when the auditor audits the client's financial statements and finds violations or errors that have occurred and reports them in the audited financial statements. Companies that are audited by the Big Four Public Accounting Firm (KAP) usually produce better quality audits, and the more difficult it will be to implement tax avoidance policies. Thus, if the quality of the audit of a company is higher, the company is less likely to manipulate profits for tax purposes (Chai & Liu, 2009).

The agency theory put forward by Jensen & Meckling (1976) suggests that there is a conflict between the principal and the agent which is motivated by differences in interests and information asymmetry between managers as agents and owners / shareholders as principals. The audit activity appears as a third party to ensure that the company's financial statements are credible and show the true situation, thereby reducing the asymmetry of information that occurs between the principal and the agent regarding tax avoidance.

Audit is able to detect fraud in financial reports so that it can reduce tax avoidance. Based on several references, the financial statements audited by the KAP The Big Four auditors are believed to be of higher quality because they display the true value of the company (Subagiastra et al., 2016). . Companies that use Big Four KAP services in auditing the company's financial statements will prevent the company from doing tax avoidance because the auditor's function is to test the fairness of a company's financial statement information properly and accurately so as to maintain the company's reputation.

Firm size can moderate the relationship between disclosure of corporate social responsibility and tax avoidance

The results showed that company size was able to moderate the relationship between disclosure of corporate social responsibility and tax avoidance in a negative direction. This means that large companies or small companies that carry out CSR disclosure properly can minimize tax avoidance actions.

The results of this study can support the theory of planned behavior, especially behavioral beliefs which explain that before an individual does something, the individual will have confidence about the results that will be obtained from his behavior and evaluation of these results. Positive behavior will also produce positive results (Chen, 2010). CSR disclosure is a positive and important activity that supports the survival of a company (Lanis & Richardson, 2011). Large companies or small companies that have a high level of CSR disclosure activity indicate that the company has a high sense of social responsibility which is reflected in obedience in paying the tax burden that has been set or by not taking tax avoidance.

The results of this study can also support the legitimacy theory which states the relationship between the company and the social, namely society, government, individuals and community groups. Large companies or small companies that have adjusted their operations to prevailing social values and norms will get recognition or legitimacy, thus obtaining a positive image. CSR disclosure by large companies or small companies is one way to get a positive image from the community. Large companies or small companies can realize social responsibility to society through the government by paying tax burdens in accordance with their obligations and minimizing tax avoidance.

CONCLUSIONS

Based on the results of the analysis, the following conclusions can be drawn: 1) The variable of the independent board of commissioners has no effect on tax avoidance in a positive direction; 2) The audit committee variable has no effect on tax avoidance in a negative direction; 3) The audit quality variable has no effect on tax avoidance in a negative direction; 4) The variable of corporate social responsibility disclosure has a negative effect on tax avoidance; 5) The size of the company is able to moderate the relationship between the independent board of commissioners and tax avoidance in a negative direction; 6) The size of the company is unable to moderate the relationship between the audit committee and tax avoidance in a negative direction; 7) The size of the company is not able to moderate the relationship between audit quality and tax avoidance in a positive direction; and 8) Company size is able to moderate the relationship between disclosure of corporate social responsibility and tax avoidance in a negative direction.

LIMITATIONS

There are several limitations found in this study, among others: 1) The measurement indicators for corporate governance mechanisms in this study only use the size of the independent board of commissioners, audit committee, and audit quality; 2) Researchers limit the object of research to manufacturing companies listed on the Indonesia Stock Exchange (IDX) in the period from 2015 to 2019.

SUGGESTIONS

By considering existing limitations, it is hoped that future research will improve the following factors: 1) For companies to be able to pay attention to any decisions that will be made and the risks that will be borne from any decisions made whether they are in accordance with the law and applicable tax regulations. Judging from the average size of the company which tends to be closer to the maximum value, which causes companies to tend to be more supervised by the government in terms of tax revenue; 2) The government is expected to increase more thorough supervision of taxes paid by companies so as to increase state tax revenue and reduce tax avoidance practices by companies; 3) For further researchers, it can increase the variables used as a proxy for the corporate governance mechanism in order to obtain more accurate research results regarding the effect of corporate governance mechanisms on tax avoidance. As well as increasing the number of research samples and extending the study period by increasing the observation period. It is suggested that in future studies more accurate results can be obtained; and 4) For academics, the results of this study can be used as a rationale for developing research in the field of accounting, especially those related to tax avoidance.

DAFTAR PUSTAKA

1. *Anna Christin Silaban and Hasian Purba. (2020). The Effect Of Corporate Social Responsibility Disclosure And Corporate Governance On Tax Avoidance (Empirical Study of Property, Real Estate, and Building Construction Companies that Go Public in Kompas 100 Index 2015-2019). **International Journal of Multidisciplinary Research.** Vol. 6, No.1*
2. *Aprilian Kusuma Ningrum, Eny Suprapti, dan Achmad Syaiful Hidayat Anwar. (2018). Pengaruh Pengungkapan Corporate Social Responsibility Terhadap Tax Avoidance Dengan Gender Sebagai Variabel Moderasi (Studi Empiris pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2016). Balance. Vol. XV, No. 1*
3. *Arry Eksandy. (2017). Pengaruh Komisaris Independen, Komite Audit, Dan Kualitas Audit Terhadap*

ISSN (Online): 2455-3662

EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 7| Issue: 10| October 2021|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2021: 8.047 || ISI Value: 1.188

Penghindaran Pajak (Tax Avoidance). Competitive, Vol. 1, No. 1

4. *Ayu Annisa Nuralifmida dan Lulus Kurniasih. (2012). Pengaruh Corporate Governance terhadap Tax Avoidance. Jurnal Bisnis dan Manajemen, Vol. 1, No. 1*
5. *Ayu Rahmawati; Maria Goretti Wi Endang; dan Rosalita Rachma Agusti. (2016). Pengaruh Pengungkapan Corporate Social Responsibility dan Corporate Governance Terhadap Tax Avoidance (Studi Pada Perusahaan Manufaktur Yang Terdaftar Di BEI Periode 2012-2014). Jurnal Perpajakan (JEJAK). Vol. 10, No. 1*
6. *Christopher S. Armstronga; Jennifer L. Blouina; Alan D. Jagolinzerb; and David F. Larcker. (2015). Corporate governance, incentives, and tax avoidance. Journal of Accounting and Economics. Vol. 60, No. 1*
7. *Chun-Keung Hoi; Qiang Wu; and Hao Zhang. (2013). Is Corporate Social Responsibility (CSR) Associated with Tax Avoidance? Evidence from Irresponsible CSR Activities. The Accounting Review. Vol. 88, No. 6*
8. *Fitri Damayanti dan Tridahus Susanto. (2015). Pengaruh Komite Audit, Kualitas Audit, Kepemilikan Institusional, Risiko Perusahaan dan Return On Assets Terhadap Tax Avoidance. E S E N S I Jurnal Bisnis dan Manajemen. Vol. 5, No. 2*
9. *Ghozali, I. (2013). Aplikasi Analisis Multivariate dengan Program IBM SPSS 22. Semarang: Badan Penerbit Universitas Diponegoro.*
10. *Ghozali, Imam dan Chariri, Anis. (2007). Teori Akuntansi. Badan Penerbit Universitas Diponegoro Semarang.*
11. *Giawan Nur Fitria. (2018). Pengaruh Kepemilikan Institusional, Komisaris Independen, Karakter Eksekutif dan Size Terhadap Tax Avoidance (Study Empiris Pada Emiten Sektor Perdagangan yang Terdaftar di BEI Tahun 2015-2019). Profita: Komunikasi Ilmiah Akuntansi dan Perpajakan. Vol. 11 No. 3 Desember*
12. *Hasian Purba. (2019). Effect Of Corporate Governance And Profitability On Tax Avoidance (Empirical Study of Sharia Banking Companies Listed on the Indonesia Stock Exchange 2012-2016)**. Research Journal of Finance and Accounting.** Vol. 10, No.18*
13. *Mardiasmo. 2009. Perpajakan Edisi Revisi 2009. Yogyakarta: Penerbit Andi.*
14. *Ni Nyoman Dewi Kristiana dan Ketut Jati. (2014). Pengaruh Karakter Eksekutif, Karakteristik Perusahaan dan Dimensi Tata Kelola Perusahaan yang Baik pada Tax Avoidance. E-jurnal Akuntansi Universitas Udayana. Vol. 6, No. 2*
15. *Nyoman Budhi Setya Dharma dan Naniek Noviari. (2017). Pengaruh Corporate Social Responsibility dan Capital Intensity Terhadap Tax Avoidance. E-Jurnal Akuntansi Universitas Udayana. Vol. 18, No. 1 Januari*
16. *Pohan Anwar. (2011). Optimizing Corporate Tax Management, Kajian Perpajakandan Tax Planning Terkini. Edisi I. Jakarta: BumiAksara.*
17. *Putu Rista Diantari dan IGK Agung Ulupui. (2016). Pengaruh Komite Audit, Proporsi Komisaris Independen, dan Proporsi Kepemilikan Institusional Terhadap Tax Avoidance. E-Jurnal Akuntansi Universitas Udayana. Vol.16, No. 1*
18. *Rahmi Fadhilah. (2014). Pengaruh Good Corporate Governance Terhadap Tax Avoidance (Studi Empiris pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia 2009-2011). Jurnal Akuntansi Universitas Negeri Padang. Vol. 2, No. 1*
19. *Siti Sarpingah and Hasian Purba. (2020). The Effect of Good Corporate Governance and Profit Management on Tax Aggressive (Empirical Study on Manufacturing Companies Listed on the IDX Periode 2014-2017)**. International Journal of Accounting and Finance Studies.** Vol. 2, No.2*
20. *Syeldila & Niki. (2015). Pengaruh Corporate Governance Terhadap Tax Avoidance: Studi Empiris Pada Perusahaan Manufaktur. JAAI. Vol. 19, No. 2*
21. *Tommy Kurniasih & Maria M. Ratna Sari. (2013). Pengaruh Return On Assets, Leverage, Corporate Governance, Ukuran Perusahaan dan Kompensasi Rugi Fiskal pada Tax Avoidance. BULETIN STUDI EKONOMI. Vol. 18, No. 1*