THE EFFECT OF GOOD CORPORATE GOVERNANCE, COMPANY SIZES, AND LEVERAGE OF TAX AVOIDANCE

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DOI: https://doi.org/10.36713/epra3760

ABSTRACT

The purpose of this study is to analyze how much influence the board of commissioners, audit committee, institutional ownership, company size and leverage on tax avoidance on food and beverage sector companies listed on the Indonesia Stock Exchange. The factors tested in this study are tax avoidance as the dependent variable while the size of the board of commissioners, audit committee, institutional ownership, firm size and leverage as independent variables.

The sample of this study consisted of 15 food and beverage sector companies listed on the Indonesia Stock Exchange (IDX) and submitted financial statements consistently in the period 2012-2015. The data used in this study is secondary data and the selection of samples using purposive sampling method. The analytical tool used is multiple regression analysis to examine the effect of the size of the board of commissioners, audit committee, institutional ownership, company size and leverage on tax avoidance.

KEYWORDS: Good Corporate Governance, Company Size, Leverage, Tax Avoidance.

INTRODUCTION

Tax is an important element for the countries in this world, even important to support the state revenue budget. Whereas tax companies are an expense that will reduce net income. In Indonesia, revenue from the tax sector occupies the highest percentage from other sources of revenue. One obstacle in optimizing tax recipients is the Tax Avoidance, not even a few companies are doing tax avoidance. In this case, the government expects tax revenues as targeted, one of which comes from corporate or corporate tax, but from several companies trying to minimize taxes paid and optimize corporate profits in various ways through company policy. The difference in tax rates and effective tax rates is a problem that often arises in taxation.

Kessler (2004) provides an understanding of tax avoidance as efforts by taxpayers to minimize taxes in ways that are contrary to the intent and purpose of the legislator (the intention of parliament). In tax avoidance can be categorized as a legal and illegal activity if the transaction carried out aims at tax avoidance or the transaction does not have a good business. Doing tax avoidance as an allocation error that occurs in the real world, a decline in business ethics, loss of auditor independence and interference in a control system.

Barr (1977) in Khurana and Moser (2009) states that tax avoidance is a legal manipulation of income that is still by the provisions of tax legislation to reduce the amount of tax payable. Tax avoidance activities carried out by the management of a company in an effort solely to minimize corporate tax obligations (Khurana and Moser, 2009). Tax avoidance is an aggressive tax strategy carried out by companies in minimizing the tax burden, so this activity raises...
risks for companies, including fines and bad reputation of the company in the eyes of the public. In this study, tax avoidance is measured using a cast effective tax rate (CETR) which is the ratio of cash tax payments in cash to income tax company earnings. Cash tax payments are included in the following year's cash flow statement on the tax payment post in cash flow for operating activities, while earnings before income tax are contained in the current year's income statement. From these measurements, it is expected that tax avoidance actions can be identified, and can be known whether a company is taking action to minimize tax or not.

In terms of corporate governance structure, Corporate Governance is corporate governance that explains the relationships between various participants in the company that determine the direction of company performance. In a company is a taxpayer so the fact that a corporate governance structure affects the way a company fulfills a tax obligation, but on the other hand tax planning depends on the dynamics of corporate governance in a company (Oktofian, 2015).

In addition to corporate governance, minimizing taxes can also arise from the stability and ability of companies to pay taxes that can be seen from the size of the company. Company size is a scale where large or small companies can be classified according to various ways, including: total assets, log size, the market value of shares, and others. The size of the company (Size) is shown through the log of total assets, because this measure is considered to have a more stable level than the other proxies and tend to be continuous between periods (Sari, 2014). Measuring tax avoidance is difficult and data for tax payments in Tax Returns are difficult to obtain, so an approach is needed to estimate how much tax the company actually pays to the government, therefore in their research they adopted an indirect approach to measure the dependent variable of tax avoidance by starting calculating the difference in accounting income with taxable income / income (gap between financial and taxable income), the difference reported to shareholders or investors using GAAP / SAK, while to the Tax Service Office with Taxation Regulations, this difference is known as the book-tax gap (Oktofian, 2015).

The development of a taxation system that increasingly tight government regulations regarding the taxation system in Indonesia, and based on previous studies, the authors will analyze the factors that influence tax avoidance in food and beverage companies on the Indonesia Stock Exchange. This study chose the food and beverage industry sector is because food and beverage companies can develop rapidly and these stocks are the stocks that are most resistant to economic crises compared to other sectors because in a crisis condition or not, most food and beverage products are still needed.

**Formulation of the problem**
Based on the background above, the research questions are formulated as follows:

1. Does the board of commissioners influence tax avoidance?
2. Does the audit committee influence tax avoidance?
3. Does institutional ownership affect tax avoidance?
4. Does the size of the company affect the tax avoidance?
5. Does leverage affect tax avoidance?

**LITERATURE REVIEW, THOUGHTS OF THOUGHT, AND HYPOTHESES**

**Agency Theory**
According to Jensen and Meckling (1976) agency theory is a contract between the manager (agent) and the owner (principal). This research uses agency theory which assumes that every human being has a selfish nature. Agency theory explains the causes of information asymmetry between agents (managers) and principals (shareholders). Conflicts between principals and agents can be caused by various problems that can later cause the company to be adversely affected. This conflict between principal and agent is commonly known as agency problem.

Scott (2003) in Tandean (2014) said that agency theory is the development of theories that study how to design work agreements to motivate agents to work by the principal's wishes. Agency theory also implies the existence of information asymmetry between managers as agents and owners as principals. This study also uses several supporting theories, including the notion of taxation, tax avoidance, good corporate governance, company size, and leverage. The definition of tax according to the Law of the Republic of Indonesia Number 16 the Year 2009 concerning General Provisions and Tax Procedures article 1 paragraph 1 is a mandatory contribution to the state-owned by individuals or entities that are formed based on the Law, with no direct and indirect compensation used for the state for the greatest prosperity of the people.

**Tax Avoidance**
Tax Avoidance is an arrangement to minimize or eliminate the tax burden by considering the tax consequences it causes. Tax Avoidance is not a violation of tax laws because the taxpayer's efforts to reduce, avoid, minimize and ease the tax burden are carried out in a way that is possible by tax laws (Nurfadilah, 2016). Efforts to minimize tax euphemism are often referred to as tax planning (tax planning). Generally, tax planning refers to the process of engineering businesses and taxpayer transactions (WP) so that the tax debt is in a minimum amount but still
within the framework of tax regulations (Nurfadilah, 2016).

**Good Corporate Governance**

Effendi (2016) stated that Good Corporate Governance (GCG) is defined as a company's internal control system which has the main goal of managing significant risks to meet its business objectives through securing company assets and increasing the value of shareholders' investments in the long term. Effendi (2016) stated according to Article 1 paragraph 1, SOE Ministerial Regulation No. PER-01 / MBU / 2011 dated 1 August 2011 concerning the Implementation of Good Corporate Governance in SOEs, stated that good corporate governance, hereinafter referred to as GCG are the principles that underlie the company management processes and mechanisms based on laws and business ethics. Based on some of these definitions, in brief, corporate governance or corporate governance is a system designed to direct the management of the company professionally based on the principles of transparency, accountability, responsibility, independence, fairness, and equality. Corporate Governance can encourage the formation of clean, transparent and professional management work patterns.

*Corporate Governance* is defined as: "A set of rules governing the relationship between holders, managers (managers) of companies, creditors, governments, employees, and other internal and external stakeholders related to their rights and obligations or in other words a system that controls the company (Wahyudi and Chairunesia, 2019). Corporate governance is governance that deals with interactions between government and society (Tanjung, Wahyudi & Chairunesia, 2019)

**Board of Commissioners**

The board of commissioners is one of the company's organs. As a corporate organ, the board of commissioners is tasked with overseeing the company's activities and must monitor the effectiveness of the company's corporate governance practices. The board of commissioners as a corporate organ has a collective duty and responsibility to supervise and provide advice to the directors and ensure that the company implements Good Corporate Governance by the rules. In carrying out the duties of the board of commissioners responsible for the General Meeting of Shareholders (GMS). The responsibility of the board of commissioners to the GMS is a manifestation of the accountability of supervision over the management of the company in the context of implementing the principles of Good Corporate Governance (Zarkasyi, 2008).

**Audit Committee**

Considering the commissioner's job in overseeing the company's operations is quite heavy, the commissioners can be assisted by several committees, namely the audit committee, remuneration committee, nomination committee, risk management committee, and others. The establishment of several committees aims to increase effectiveness in the context of implementing good corporate governance (GCG) in the company. The formation of the committee must be determined by a decision letter (SK) of the board of commissioners.

**Institutional Ownership**

Institutional Ownership is "Percentage of company shares owned by an institution or institution (insurance companies, pension funds, or other companies). Institutions as shareholders are considered better able to detect mistakes that occur. This is because institutional investors are more experienced than individual investors. Institutions as sophisticated investors because they have the ability to process information compared to individual investors.

**Company Size**

Company Size Respect (2009) in Nurfadilah (2016) defines company size as the scale or value that can classify a company into large or small categories based on total assets, logs, size, and so on. The greater the total assets indicate the greater the size of the company. So it allows companies to take advantage of existing loopholes to carry out tax avoidance actions from each transaction. In addition, companies operating across countries have a tendency to take tax avoidance measures higher than companies operating across the country, because they can transfer profits to companies in other countries, where the country levies lower tax rates than other countries.

**Leverage**

Leverage is the use of assets and sources of funds by companies that have fixed costs (fixed costs) to increase potential shareholder returns. The company uses leverage to make the profits outweigh the costs of assets and sources of funds, thereby increasing shareholder profits. Conversely, leverage also increases financial variability (risk), because if the company turns out to get a lower profit than its fixed costs, the use of leverage will reduce the profits of shareholders. In general, the creditor or prospective creditor requires information on how much the owner's funds as the basis for determining the level of creditor security (Tanjung, 2019).

Companies generally use both debt and equity funding. Creditors usually do not want to provide funds without protection from equity funding. Financial leverage refers to the amount of debt funding in the capital structure of a company. Companies with financial leverage are called trading equity (trading on the equity). This shows that companies use equity
capital as a basis for loans to gain excess control (Subramanyam & Wild, in Musyarofah (2016).

Adelina (2012) in Darmawan and Sukartha (2014) leverage (debt structure) is a ratio that shows the amount of debt owed by a company to finance its operating business. Increasing the amount of debt will result in interest expense to be paid by the company. The interest expense component will reduce the profit before taxing the company, so the tax burden that must be paid by the company will be reduced.

The Effect of Good Corporate Governance, Company Size, and Leverage on Tax Avoidance on Food and Beverage Companies Listed on the IDX

Hypothesis

Based on the framework that has been described, then the research hypothesis can be formulated as follows:
1. The Board of Commissioners has a positive effect on Tax Avoidance.
2. The audit committee has a positive effect on Tax Avoidance.
3. Institutional ownership negatively influences tax avoidance.
4. Firm size affects Tax Avoidance
5. Leverage affects Tax Avoidance.

RESEARCH METHODS

Research Design

This research is a type of causal research, namely research that aims to determine the effect of one or several variables (independent variables) on other variables (dependent variable). This research uses secondary data in the form of the annual report. This research is focused on food and beverage companies listed on the Indonesia Stock Exchange for the 2012-2015 period. The object of research in this study is Good Corporate Governance, company size, and leverage of the dependent variable, namely tax avoidance which is proxied through the financial ratios of manufacturing companies listed on the Indonesia Stock Exchange in 2012-2015. From the data that has been obtained, then it is processed and analyzed quantitatively and further processed so that it can get a picture of the object under study and then conclusions can be drawn from these results.

Variable Definition and Operationalization

This study uses independent variables (independent) and dependent variables (dependent). The independent variable which is then stated by the symbol X and the dependent variable is stated by the symbol Y. The independent variables that will be tested in this study are:
1. \( X_1 \) = Board of Commissioners is the number of members of the board of commissioners responsible for overseeing the company, both from internal and external companies. The board of commissioners can be measured using an indicator of the number of board members of a company (Sukandar, 2014). According to Bank Indonesia regulation Number 8/4 / PBI / 2006 concerning Implementation of Good Corporate Governance the number of members of the Board of Commissioners in a company is at least 3 people and at the same as the number of members of the Board of Directors.
2. \( X_2 \) = Audit Committee has become a common component in the structure of good corporate governance of public companies. The audit committee is measured by counting the number of audit committees in a company.
3. \( X_3 \) = Institutional Ownership surrenders responsibility to certain divisions to process company investment. The existence of an institution that professionally monitors the development of its investment causes the level of control over management actions to be very high so that the potential can be suppressed (Calypino, Andini, and Raharjo, 2016). Institutional
ownership can be seen from the number of institutions in a company.

4. X4 = Company Size is generally divided into 3 categories, namely large firm, medium-firm, small firm. The maturity stage of a company is determined based on total assets, the greater the total assets show that the company has good prospects in a relatively long period (Sari, 2014). Company size = Ln (Total Asset)

5. X5 = Leverage is a financial ratio that illustrates the relationship between a company's debt to capital and company assets. The leverage ratio also shows the risks faced by the company. In this study, leverage is calculated using the Debt to equity ratio. DER = (Total Debt) / (Own Capital)

Dependent variable (dependent) is a variable that is affected or that is due, because of the independent variable. In this study, Tax Avoidance is a dependent variable, which is measured by the cash effective tax rate (CETR). CETR is a cash tax payment on company profits before income tax. Cash Effective Tax Rate (CETR) is expected to be able to identify the aggressiveness of corporate tax planning carried out using fixed differences or temporary differences (Sari, 2014) with the following formula, CETR = (cash tax paid) / (Pre-tax income).

### Population and Research Samples

The population is the whole data to be examined. While the sample is part of the population. The sample is chosen from a population to represent the entire population of that population. The population in this study is the Food and Beverage sector companies listed on the Indonesia Stock Exchange in 2012-2015. The sample in this study was taken using a purposive sampling technique. Sampling-based on the following criteria:


### Description of Research Object

Based on data obtained from the official website of the Indonesia Stock Exchange or www.idx.co.id it is known that the companies that entered the criteria in purposive sampling during the study year (2012-2015) were 15 companies. The criteria set out in the sample selection:

#### Sample Selection Results

<table>
<thead>
<tr>
<th>No</th>
<th>Remarks</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Food and beverage sector manufacturing companies that consistently listed on the Indonesia Stock Exchange in 2012-2015.</td>
<td>16</td>
</tr>
<tr>
<td>2</td>
<td>Food and beverage sector manufacturing companies that have not consistently published their Financial Statements on the Indonesia Stock Exchange in 2012-2015</td>
<td>(1)</td>
</tr>
<tr>
<td></td>
<td>Total sampel</td>
<td>15</td>
</tr>
</tbody>
</table>

### Data Analysis Results

Data analysis was performed using the SPSS 20. The analytical methods used in this study included analysis of descriptive statistics and multiple regression analysis.

#### Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>D.K</td>
<td>60</td>
<td>3.00</td>
<td>8.00</td>
<td>4.5667</td>
<td>1.79799</td>
</tr>
<tr>
<td>K.A</td>
<td>60</td>
<td>0.00</td>
<td>4.00</td>
<td>2.9000</td>
<td>0.72952</td>
</tr>
<tr>
<td>K.I</td>
<td>60</td>
<td>0.00</td>
<td>1.00</td>
<td>0.9000</td>
<td>0.30253</td>
</tr>
<tr>
<td>SIZE</td>
<td>60</td>
<td>2.624</td>
<td>32.15</td>
<td>28.4047</td>
<td>1.50480</td>
</tr>
<tr>
<td>LVG</td>
<td>60</td>
<td>0.22</td>
<td>3.03</td>
<td>1.0407</td>
<td>0.47984</td>
</tr>
<tr>
<td>T.A</td>
<td>60</td>
<td>0.04</td>
<td>1.00</td>
<td>0.3102</td>
<td>0.18900</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>60</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The D.K variable has a range of values from 3.00 to 8.00. But in the case that the company has fulfilled the requirements where the number of commissioners in the company is at least 3 people. The average value of D.K is 4.5667 and the standard deviation has a value of 1.79799 which means the distribution of data in the D.K value is good enough to be examined.

The variable K.A has a range of values from 0.00 to 4.00. The average value of K.A is 2.9000 and the standard deviation has 0.72952, which means the distribution of data in K.A is good enough to be examined.

K.I variables have values ranging from 0.00 to 1.00. The average value of K.I is 0.9000 which means that some companies meet / attach a list of institutional ownership, and the standard deviation has 0.30253 which means the distribution of the K.I value is not too varied, so the data is good enough to be examined.
The SIZE variable which is proxied from the Total Asset value has a range of values 26.24 to 32.15. The average value of the company's total assets is 28.4047 and the standard deviation is 1.50480, which means the data distribution on the total asset value is not too varied, so the data is good enough to be examined.

The LVG variable that is proxied from DER has a value range of 0.22 to 3.03. The average DER value is 1.0407, while the standard deviation is 0.47984, meaning that the data distribution on the DER value is not too varied, so the data is good enough to be examined.

The Tax Avoidance variable has a range of values from 0.04 to 1.00. The average value of T.A is 0.3102 while the standard deviation is 0.18900, meaning the distribution of data on the T.A value is not too varied, so the data is good enough to be examined.

**Normality test**

Normality test is to see whether the residual value is normally distributed or not. A good regression model is to have residual values that are normally distributed. So the normality test is not carried out on each variable but on the residual value.

<table>
<thead>
<tr>
<th>Unstandardized Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>N</strong></td>
</tr>
<tr>
<td><strong>Normal Parameters</strong></td>
</tr>
<tr>
<td>Mean</td>
</tr>
<tr>
<td>Std. Deviation</td>
</tr>
<tr>
<td><strong>Most Extreme Differences</strong></td>
</tr>
<tr>
<td>Absolute</td>
</tr>
<tr>
<td>Positive</td>
</tr>
<tr>
<td>Negative</td>
</tr>
<tr>
<td><strong>Kolmogorov-Smirnov Z</strong></td>
</tr>
<tr>
<td><strong>Asymp. Sig. (2-tailed)</strong></td>
</tr>
</tbody>
</table>

According to Ghozali (2016) the Normality Test aims to test whether in the regression model the disruptive variable or residual has a normal distribution. It is known that the F and t tests assume that the residual value follows the normal distribution. If this assumption is violated then the statistical test becomes invalid for a small sample size. Based on table the value of sig = 0.254 > 0.05, so that H0 is not rejected, which means that the residual data is normally distributed.

**Multicollinearity Test**

To test whether the regression model found a correlation between independent variables. A good regression model should not occur correlation between independent variables.

<table>
<thead>
<tr>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tolerance</strong></td>
</tr>
<tr>
<td>(Constant )</td>
</tr>
<tr>
<td>D.K</td>
</tr>
<tr>
<td>KA</td>
</tr>
<tr>
<td>K.I</td>
</tr>
<tr>
<td>SIZE</td>
</tr>
<tr>
<td>LVG</td>
</tr>
</tbody>
</table>

The method for testing the presence or absence of multicollinearity can be seen from the Tolerance Value (TOL) or the variance inflation factor (VIF) TOL value limit. The cutoff value commonly used to indicate multicollinearity is a TOL value nilai 0.10 or a VIF value greater than ≥ 10 (Ghozali, 2016). If the TOL value> 0.10 and VIF value <10, there will be no multicollinearity. Based on Table, it shows that the Tolerance value is above 0.10, and the VIF value is below 10.00. from the test results it can be concluded that the regression model does not have multicollinearity problems.
Heteroscedasticity Test

<table>
<thead>
<tr>
<th>Spearman's rho</th>
<th>Unstandardized Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>D.K</td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>KA</td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>KI</td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>SIZE</td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>LVG</td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
</tbody>
</table>

To test whether in the regression model there is an unequal variance from the residuals of one observation to another. From the results of the above output it can be seen that the correlation value of variables with Unstandardized Residuals has a significance value of more than 0.05. Because the significance is more than 0.05, it can be concluded that there is no heteroscedasticity problem in the regression model.

Autocorrelation Test

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.469*</td>
<td>.220</td>
<td>.148</td>
<td>.1744</td>
<td>1.271</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), LVG, D.K, K.I, K.A, SIZE
b. Dependent Variable: T.A

Autocorrelation Test is to see whether there is a correlation between a period t with the previous period. Auto correlation generally occurs in time series data.

According to Santoso (2012) with the following conditions:

a. A positive autocorrelation occurs, if the DW value is below -2 (DW <-2)

b. No autocorrelation occurs, if the DW value is between -2 and +2 or -2 <DW <+2

c. A negative autocorrelation occurs if the DW value is above +2 or DW +2

From the results of the table above, the regression model is found 1,271. because the DW value is between -2 and +2 or -2 <DW <+2 then the null hypothesis is accepted, which means there is no autocorrelation in the regression.
Determination Coefficient Test ($R^2$)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.469a</td>
<td>.220</td>
<td>.148</td>
<td>.17444</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), LVG, D.K, K.I, K.A, SIZE  
b. Dependent Variable: T.A

The coefficient of determination (Test $R^2$) aims to measure how far the model's ability to explain variations in the dependent variable. $R^2$ has an interval between 0 to 1 ($0 \leq R^2 \leq 1$). The greater $R^2$ (close to 1) means that the independent variables provide almost all the information needed to predict the variation of the dependent variable. But if it gets closer to 0, then the overall independent variable cannot explain the dependent variable. shows that the Adjusted $R$ Square value is 0.148, this means that 14.8% of the dependent variable in this study, namely Tax Avoidance, can be explained by the independent variables, namely the Board of Commissioners, Audit Committee, Institutional Ownership, company size and leverage, while the rest (100% - 14.8% = 85.2%) explained by other factors outside this study.

Simultaneous Regression Coefficient Test (Test $F$)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>$F$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>.465</td>
<td>5</td>
<td>.093</td>
<td>3.053</td>
<td>.017</td>
</tr>
<tr>
<td>Residual</td>
<td>1.643</td>
<td>54</td>
<td>.030</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2.108</td>
<td>59</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: T.A  
b. Predictors: (Constant), LVG, D.K, K.I, K.A, SIZE

Concurrent test, i.e. statistical test for the regression coefficient which simultaneously or jointly influences Y. If the significance of $F$ Stat is $\leq 0.05$; Ho accepted, Ha rejected. If the significance of Stat $F > 0.05$; Ho accepted, Ha rejected. Prob value $F$ count (sig.) In the above table is 0.017 less than the 0.05 significance level so that it can be concluded that the estimated linear regression model is appropriate to be used to explain the influence of the Board of Commissioners, Audit Committee, Institutional Ownership, company size and Leverage on Tax Avoidance.

Regression Coefficient Test ($t$-Test)

Individual tests are statistical tests for regression coefficients with only one regression coefficient affecting Y.

Ho: There is no influence between X and Y  
Ha: There is an influence between X and Y

Ho is rejected (Ha accepted) if the significance of $t0 < 0.05$  
Ho is accepted (Ha rejected) if the significance of $t0 > 0.05$

Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.516</td>
<td>.563</td>
<td></td>
<td>2.694</td>
</tr>
<tr>
<td>1</td>
<td>D.K</td>
<td>.012</td>
<td>.018</td>
<td>.116</td>
</tr>
<tr>
<td></td>
<td>K.A</td>
<td>-.046</td>
<td>.035</td>
<td>-.176</td>
</tr>
<tr>
<td></td>
<td>K.I</td>
<td>.013</td>
<td>.078</td>
<td>.020</td>
</tr>
<tr>
<td>SIZE</td>
<td>-.044</td>
<td>.021</td>
<td>-.349</td>
<td>-2.132</td>
</tr>
<tr>
<td>LVG</td>
<td>.099</td>
<td>.050</td>
<td>.252</td>
<td>1.996</td>
</tr>
</tbody>
</table>

a. Dependent Variable: T.A  
*sig. 0.1
The Regression Equation is as follows:
T.A = 1.516 + 0.012D.K –0.046K.A + 0.013K.I - 0.044SIZE + 0.099LVG

Which mean:
1. A constant of 1.516 means that if the value of D.K, K.A, K.I, SIZE, and LVG is 0, the Tax Avoidance value is 1.516 one-unit.
2. The regression results indicate the variable value of the Board of Commissioners of 0.012. The significance of the variable is 0.490 (> 0.05) which means the Board of Commissioners does not affect the value of Tax Avoidance.
3. The Audit Committee regression coefficient of -0.046. The test results on the Audit Committee variable showed a significant value of 0.198 (> 0.05) which means that the Audit Committee also did not affect the value of Tax Avoidance.
4. The regression coefficient for Institutional Ownership is 0.013. The test results of the K.I variable showed a significant value of 0.871 (> 0.05). A significant value greater than 0.05 means that K.I does not affect Tax Avoidance.
5. SIZE variable regression coefficient of -0.044. The test results on the size variable showed a significance value of 0.038 (<0.05). A significant value is smaller than 0.05 means that the SIZE variable influences Tax Avoidance.
6. DER variable regression coefficient of 0.099. Significance value less than 0.10 means that DER affects Tax Avoidance.

**DISCUSSION**
1. The influence of the board of commissioners on tax avoidance
   The results of testing the Board of Commissioners variable indicate a significance value greater than 0.05 means that the Board of Commissioners does not affect Tax Avoidance. This is not by the initial hypothesis (H1) which states that the board of commissioners has a positive effect on tax avoidance. The results of this study support research conducted by Fadhilah (2014) which found that the proportion of independent commissioners had no effect on tax avoidance and Cahyono et al., (2016) The proportion of Independent Commissioners has a positive effect on tax avoidance. However, this research contradicts Sari (2014) in his research explaining that the board of commissioners has a positive effect on tax avoidance. Also, Feranika (2016) states that the independent board of commissioners influences tax avoidance. This explains the higher the percentage of independent commissioners means that more and more companies also have a board of commissioners.
2. The influence of the Audit Committee on Tax Avoidance.
   The results of testing the Audit Committee variable shows a significance value greater than 0.05 means that the audit committee does not affect Tax Avoidance. This is not by the initial hypothesis (H2) which states that the audit committee has a positive effect on Tax Avoidance. This is consistent with Feranika's hypothesis (2016) that partially the audit committee does not affect tax avoidance and Sari (2014) that the audit committee variable has no significant effect on the tax avoidance variable. However, this study contradicts Praditasari and Setiawan (2017) that the audit committee hurts tax avoidance.
3. Effect of Institutional Ownership on Tax Avoidance.
   The test results of the Institutional Ownership variable shows a significance value greater than 0.05 which means that institutional ownership does not affect Tax Avoidance. This is not by the initial hypothesis (H3) which states that institutional ownership negatively influences Tax Avoidance. This is supported by Sandy and Lukviarman's (2015) research that institutional ownership variable does not significantly influence tax avoidance. The findings of this study mean that the high or low variation in tax avoidance is not determined by institutional ownership variables. In other words, the high or low percentage of shares owned by an institution compared to the number of shares issued or outstanding shares will not have a significant impact on tax avoidance behavior. The findings of this study are also in line with Fadhilah (2014) that the proportion of institutional ownership does not affect tax avoidance.
   The test results on the SIZE variable showed a significance value smaller than 0.05 which means that the size of the company affects the Tax Avoidance. This is consistent with the initial hypothesis (H4) which states that company size affects Tax Avoidance. This is in agreement with Praditasari and Setiawan (2017) research, which is that company size hurts tax avoidance. This can happen because the larger the size of the company, the greater the supervision given to companies by the government which causes large companies to have a large effective tax rate, which means that large companies avoid tax avoidance. The results of this study contradict the research of Cahyono, Andini, and Raharjo (2016) that company size does not affect tax avoidance. And supported by Tande research (2015) that company size does not affect tax avoidance.
5. Effect of Leverage on Tax Avoidance.
   The test results on the Leverage variable (DER) showed a significance value smaller than 0.10
which means the Leverage variable affects Tax Avoidance. This study agrees with the study of Musyarofah (2016) that the leverage variable influences tax avoidance. These results indicate that the more use of debt in financing company activities, the lower the corporate tax (Hanum & Zulaikha, 2013) in (Musyarofah, 2016). This is contrary to the research of Cahyono, Andini, and Raharjo (2016) that leverage does not affect tax avoidance. And Nurfadilah et al., (2016) research that leverage does not affect tax avoidance. Because the higher the value of the leverage ratio, it means that the higher the amount of funding from third party debt used by the company and the higher the interest costs arising from the debt that will provide the effect of reducing the company's tax burden does not make the company financing with the maximum debt (Feranika, 2016).

CONCLUSIONS AND SUGGESTIONS

Conclusion
Based on the results of the analysis conducted in this study it can be concluded that:
1. The implementation of the Board of Commissioners has no effect on Tax Avoidance.
2. The implementation of the Audit Committee has no effect on Tax Avoidance.
3. Disclosure of Institutional Ownership has no effect on Tax Avoidance.
5. Disclosure of Leverage (DER) affects Tax Avoidance.

Suggestion
Based on the limitations of the analysis results of this study, the suggestions that can be given are:
1. For companies to be careful in making decisions for the addition of capital (debt) from outside the company because the risk will arise from the high debt that can trigger the company to go bankrupt.
2. For investors it is better to pay attention to tax avoidance practices in their investment choices so that they can look more wisely in assessing the risks of these investments.
3. Investors must be even more assertive to carry out good corporate governance by the company, so that investors get a report on the actual investment returns.
4. For the government to pay more attention to the narrower tax factors in setting tax regulations so that it reduces loopholes so that tax avoidance is increasingly difficult to do.
5. Suggest further researchers to be able to add more variables such as profitability, financial defferative, fiscal loss compensation etc., to expand the results of previous researchers.

REFERENCES